

State of Louisiana TANF Evaluation

Interim Report on FITAP and FIND Work Programs

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Authors:

Vincent M. Valvano, Principal Investigator
Yasuyo Abe, Project Director
Fannie Tseng

Submitted to:

State of Louisiana, Division of Administration
TANF Executive Office of Oversight and Evaluation
1051 North Third Street, 2nd Floor
Baton Rouge, LA 70804

Berkeley Policy Associates
440 Grand Avenue, Suite 500
Oakland, CA 94610

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Executive Summary

This report presents initial findings on program operation and recipient outcomes for Louisiana's two principal Temporary Assistance for Needy Families (TANF) programs: the Family Independence Temporary Assistance Program (FITAP), which provides cash assistance to needy families; and the Family Independence Work Program (FIND Work), an employment, training, and education program for adult FITAP recipients.

In addition to conforming to the major federal TANF rules, including a lifetime limit on receipt of cash assistance for adult-headed families of 60 months and a mandatory work requirement for adult recipients, the State has adopted several distinctive requirements for Louisiana families receiving cash assistance. These include:

- A 24-month time limit on receipt of cash assistance during any five-year period;
- A school attendance requirement for children in FITAP families;
- A time-limited \$900 monthly earnings disregard for FITAP recipients;
- Mandatory screening of all adult recipients for illegal drug use; and
- Transitional assistance payments for FITAP recipients who leave the program due to employment.

Two of these requirements, the 24-month time limit and the school attendance requirement, obligate case managers to allocate significant time to monitoring recipient compliance.

Like most states, Louisiana has experienced a large drop in its TANF cash assistance caseload. As of September 2001, the FITAP caseload had declined by 60 percent since program implementation in January 1997. Most of the decline stems from a large drop in the number of single-parent cases; the number of child-only cases (cases in which a parent or caretaker relative is not included in the grant) has not changed significantly since the start of FITAP.

Of the approximately 100,000 adults who participated in FITAP for some period of time between January 1997 and September 2001, 20 percent had received benefits for over 24 months and thus were likely to have been granted an exemption from the 24-month time limit. A significant proportion of recipients re-enter the FITAP program within 12

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- months after leaving assistance. Among those leaving in 2000, 28 percent returned within a year. Although high, this re-entry rate is comparable to that experienced by TANF programs in other states.

FITAP and FIND Work have been effective in moving all recipients, not just those who are the most job-ready, off cash assistance. Our analysis of several key recipient characteristics indicates that the FITAP caseload has not become increasingly comprised of disadvantaged recipients. For example, the share of long-term recipients on FITAP has declined over time, while the education level of FITAP recipients has not declined. In addition, the proportion of recipients with no recent employment experience has also dropped.

Nevertheless, many recipients remaining on assistance face serious challenges. Among adult recipients in FITAP in September 2001, about half were repeat recipients; one-quarter had received AFDC assistance prior to the start of TANF; nearly 40 percent had not been employed at all during the previous year; and half did not have a high school diploma or GED.

Participation in work activities is a primary way for FITAP recipients to prepare for and obtain employment that leads to self-sufficiency. Between 35 and 40 percent of FITAP recipients participate in a work activity in any given month. Recipients can be exempted from work activity participation if they are providing care for a child under age one. In September 2001, 23 percent of adult recipients received such an exemption. Among adults who participate in a work activity, unsubsidized employment is the predominant activity, followed by vocational education and work experience. In September 2001, 62 percent of work activity participants engaged in paid employment, 21 percent in vocational education, and 18 percent in work experience.

Approximately half of adult recipients in FITAP do not have a high school diploma or GED. However, very few of these adult recipients participate in a GED preparation activity while in FITAP. Our estimates suggest that less than 2 percent of adult recipients age 20 or older who lack a high school diploma or GED participate in that activity while in FITAP. These recipients are also less likely to participate in unsubsidized employment and vocational education activities than recipients with higher education levels.

The TANF program is based on the assumption that recipients can best achieve self-sufficiency by entering employment as quickly as possible. Therefore, recipients' employment and earnings outcomes are important indicators of program success. Our analysis of FITAP recipients' short-term employment outcomes concludes that just less than half (48%) of adult recipients are employed in the quarter after exit from FITAP. Between 1997 and 2001, median quarterly earnings for employed FITAP leavers averaged \$1,712. Based on their quarterly earnings levels, a majority of FITAP leavers appear to be working less than full time in the quarter after exiting the program.

The post-exit employment rates for FITAP leavers are comparable to those of TANF leavers in other states, though they are on the low end of the reported range. Median quarterly earnings for FITAP leavers are generally lower than those for TANF leavers in other states, although comparable to leavers in other southern states.

Employment rates and quarterly earnings are significantly higher for FITAP leavers with higher levels of education. Compared to leavers with less schooling, leavers with a high school diploma or GED have an employment rate that is more than 8 percentage points higher and median quarterly earnings that are more than \$400 higher, underscoring the importance of completing high school-level education.

The post-exit employment rate for recipients who received a good-cause reason for work activity nonparticipation is significantly lower than for work activity participants. These lower employment rates indicate that recipients who did not participate in work activities for good cause continue to experience barriers to employment after program exit.

Chapter 1

Overview of FITAP and FIND Work Policies

TANF Programs in Louisiana

In 1996, federal welfare reform legislation replaced the primary cash assistance entitlement program for poor families, Aid to Families with Dependent Children (AFDC), with a time-limited assistance program, Temporary Assistance for Needy Families (TANF).¹ In contrast to the AFDC program, which provided cash assistance to families for as long as they met eligibility requirements, TANF imposes a 60-month lifetime limit on cash assistance for most families, requires adult recipients to work or participate in work-related activities, and allows for provision of a wide range of supportive services to help recipients achieve self-sufficiency. Also under TANF, states are given substantial discretion in tailoring program rules, requirements, and services to reflect the needs of their recipient populations.

In Louisiana, the state legislature established two programs to implement federal TANF regulations: (1) a cash assistance program for needy families, known as the Family Independence Temporary Assistance Program (FITAP), and (2) an education, training, and employment program for adult FITAP recipients, known as the Family Independence Work Program (FIND Work). In addition, the legislature adopted several distinctive requirements for Louisiana families receiving cash assistance, including:

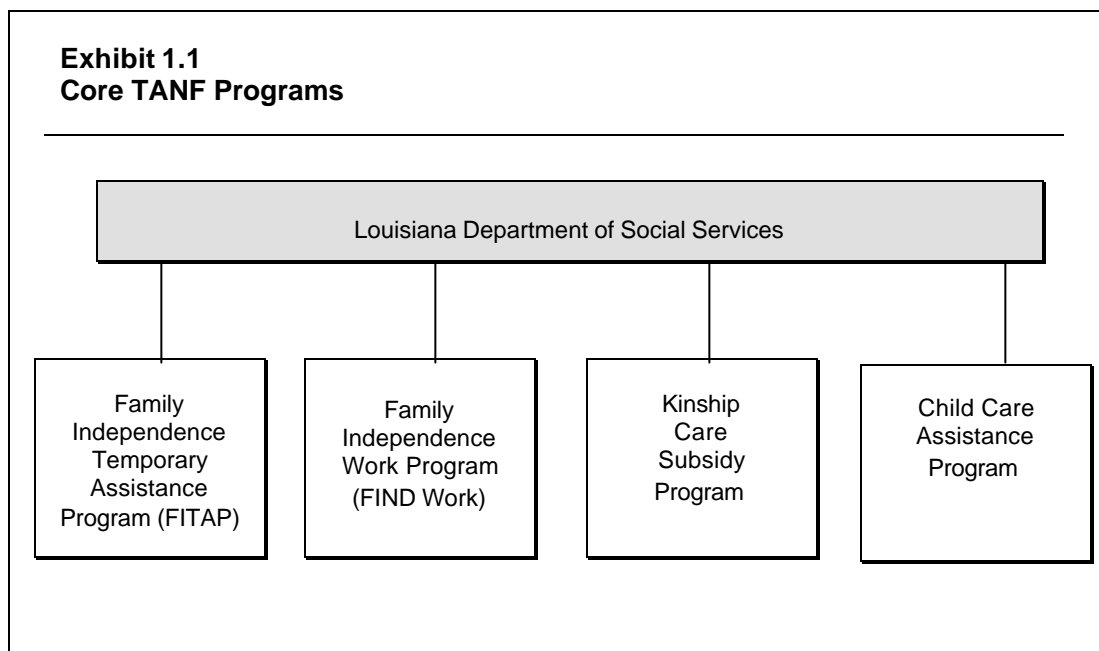
- a 24-month time limit on receipt of cash assistance during any five-year period;
- a school attendance requirement for children in families receiving FITAP;
- a parenting skills program for FITAP parents under the age of 20;
- a time-limited \$900 monthly earnings disregard for FITAP recipients;
- mandatory screening of all adult applicants for the use of illegal drugs; and
- transitional assistance payments for FITAP recipients who leave the program due to increased earnings.

¹The Personal Responsibility and Work Opportunity Reconciliation Act (P.L. 104-193), which created the TANF program, was signed into law by President Clinton in August 1996.

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Berkeley Policy Associates (BPA), a social policy research and consulting firm in Oakland, California, is conducting an evaluation of TANF programs in Louisiana. The State Division of Administration contracted with BPA in December 2001 after a competitive request for proposal process. BPA was chosen based on its experience in conducting state TANF evaluations and its proposed evaluation design. Researchers from Louisiana State University (LSU) are working with BPA under subcontract. A final report from the evaluation will be issued in October 2002. Appendix A of this report provides a description of BPA's evaluation design.

There are currently three primary TANF programs in Louisiana: FITAP and FIND Work, both of which became operational in January 1997 under Louisiana's initial implementation of TANF, and the Kinship Care Subsidy Program (KCSP), which was implemented in March 2000. The State also has transferred TANF block grant funds into the Child Care Assistance Program (CCAP), although this program is primarily funded through the federal Child Care and Development Fund (CCDF) block grant. CCAP provides child care assistance to FITAP recipients participating in FIND Work, former FITAP recipients, and to other low-income families. Each of these programs is under the jurisdiction of the Department of Social Services (DSS), as shown in Exhibit 1.1.



FITAP provides cash assistance to families that meet income and other eligibility requirements. As mandated by federal TANF regulations, this assistance is time-limited: families in which a parent is included in the assistance unit are eligible for a maximum of 60 months of cash assistance in their lifetime.

The FIND Work Program assists recipients in finding a job or places them in educational, training, and other work-related activities that will prepare them for work, with the goal of helping families achieve self-sufficiency. Federal TANF regulations require adult recipients to participate in a work activity as a condition of receiving assistance.

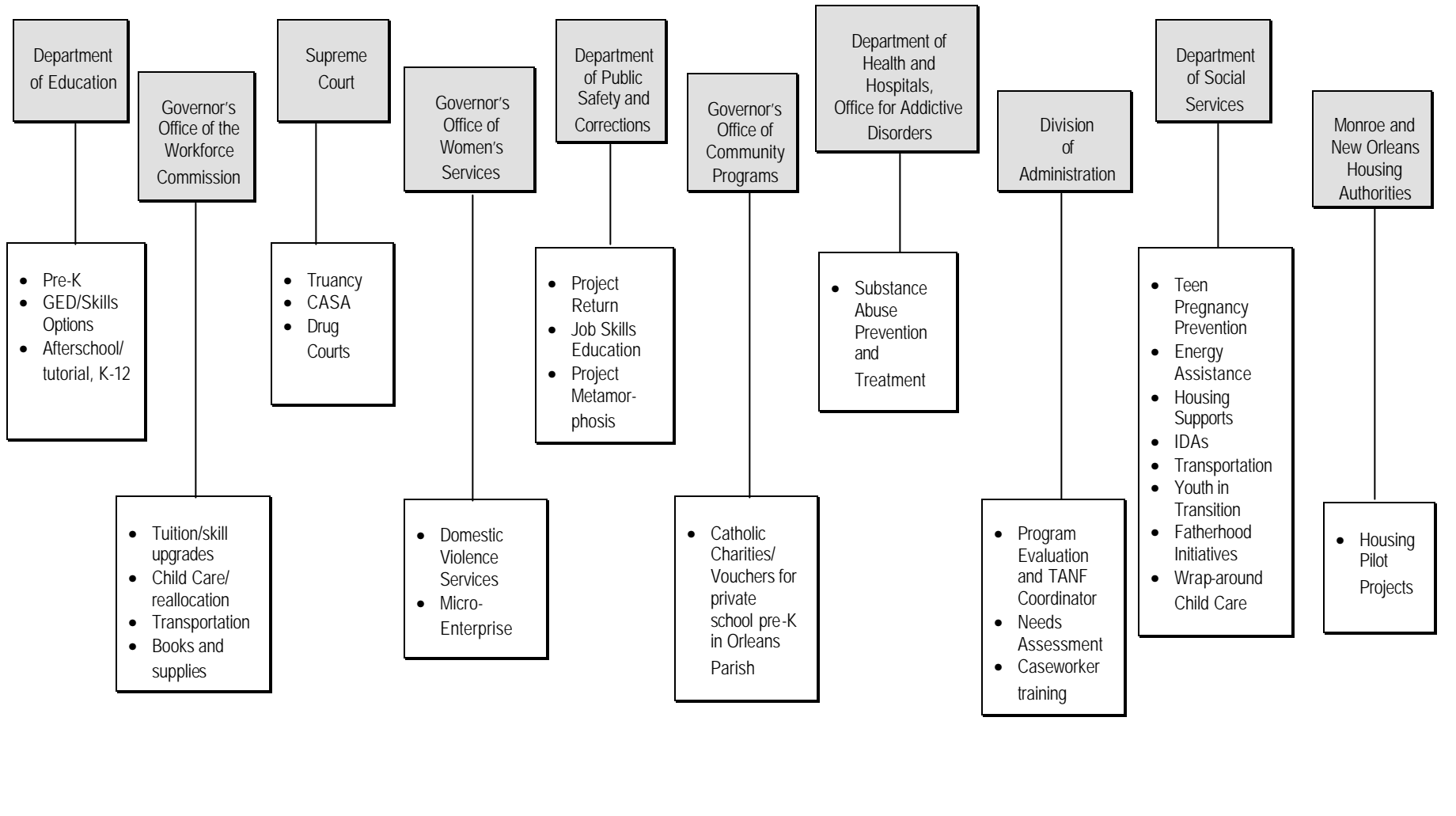
The Kinship Care Subsidy Program provides a higher level of assistance than is available under FITAP to children residing with a qualified relative other than a parent. The goal of KCSP is to keep children in the care of family members as an alternative to placement in a foster care setting.

In 2001, the State began using TANF funds for a variety of programs, referred to as TANF Initiatives, that are overseen by DSS and other state agencies and are targeted to needy families. Under federal TANF regulations, states may define eligibility requirements for needy families to encompass a population of low-income families broader than just those eligible for cash assistance. TANF Initiatives are being overseen by the following agencies:

- Department of Public Safety and Corrections
- Department of Education
- Department of Social Services
- Division of Administration
- Department of Health and Hospitals, Office for Addictive Disorders
- Governor's Office of Community Programs
- Governor's Office of Women's Services
- Supreme Court
- Governor's Office of the Workforce Commission
- Monroe and New Orleans Housing Authorities

Specific TANF Initiatives are identified in Exhibit 1.2.

**Exhibit 1.2
TANF Initiatives**



In order to provide policy makers with some initial findings on caseload trends and characteristics of participants in the FITAP and FIND Work programs, BPA presents this first interim report of our ongoing evaluation of Louisiana TANF programs. In the remainder of Chapter 1, we provide an overview of FITAP and FIND Work program rules. In Chapter 2, we describe several aspects of the FITAP caseload, including trends in caseload size, the household composition of recipient families, the length of time recipients remain on cash assistance, and their rate of return to FITAP after leaving the program. Chapter 3 describes several key characteristics of adult FITAP recipients, including age, education level, length of time on FITAP, and recent work experience. In addition, Chapter 3 assesses whether the FITAP caseload has become increasingly comprised of hard-to-serve recipients with multiple barriers to self-sufficiency. Chapter 4 discusses work activity participation among FIND Work participants, and Chapter 5 examines their initial employment outcomes.

Key Features of the FITAP and FIND Work Programs

The FITAP and FIND Work programs share the dual goal of decreasing families' reliance on cash assistance and providing job preparation assistance to help families achieve self-sufficiency. At the local level, the FITAP and FIND Work programs are tightly integrated. Case managers generally work for both programs and most FITAP cases, with the exception of child-only cases, also participate in FIND Work. As a result, program boundaries are virtually transparent to most recipients.

Below we discuss specific provisions of FITAP and FIND Work, including eligibility requirements, time limits, work requirements, sanctions, and supportive services. Our discussion of program rules is based on the Louisiana Administrative Code, the Louisiana State TANF Plan, and Department of Social Services policy manuals for the FITAP and FIND Work programs. To understand how these rules are implemented, we are in the process of interviewing program staff in 11 parish offices. Findings based on these interviews will be presented in our Final Report.

FITAP Eligibility Requirements

The principal eligibility requirements for FITAP are indicated in Exhibit 1.3. These requirements are based on federal TANF regulations, with two additional stipulations: (1) parents under age 20 must attend a parenting skills program, and (2) school-age

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children must meet minimum school attendance requirements. For the school attendance requirement, case managers must obtain documentation of attendance from the local school district as part of the FITAP case redetermination process, which occurs every 12 months.

Exhibit 1.3 FITAP Eligibility Requirements

General Eligibility Criteria:

- Families with dependent children under age 16, residing with parent(s) or other qualified relative (such as a grandparent, aunt, uncle, or first cousin), are eligible.
- Dependent children ages 16 to 19 who are in school or participating in the FIND Work Program also are eligible.
- A minor parent and child must reside with the minor parent's parent(s).
- Each recipient must be a U.S. citizen or qualified alien.
- Recipients must assign rights to the state for child support or spousal support.
- Recipients must cooperate with the child support enforcement agency.
- Children in the assistance unit must be immunized.
- Parents under age 20 must attend a parenting skills program.
- School-age children must meet minimum school attendance requirements to continue receiving assistance.

Income Limits and Disregards:

- Income must be less than the need standard (for a family of three, the need standard is \$658 per month).
- Each individual in the assistance unit is entitled to a standard earned income disregard of \$120 per month.
- Each individual in the assistance unit is entitled to a time-limited earned income disregard of \$900 for a six-month lifetime limit.

Asset Limits:

- The maximum resource limit for an assistance unit is \$2,000.
- Vehicles (other than recreational vehicles) are excluded from the resource limit.
- An Individual Development Account of up to \$6,000 is excluded from the resource limit.

FITAP eligibility and benefits are based on income, adjusted for family size. Compared to other states, Louisiana has a relatively generous earned income disregards policy. By disregarding (i.e., not counting) a certain portion of earnings when calculating FITAP assistance, this policy allows FITAP recipients to begin work and retain their eligibility

for cash assistance for a limited period of time. In addition to a \$120 standard disregard of monthly income, FITAP recipients can disregard up to an additional \$900 a month of earnings for a total of six months. This means that if an adult FITAP recipient with one to three children begins working full time (40 hours per week) at minimum wage, he or she could continue receiving FITAP assistance for up to six months.²

Time Limits on Receipt of FITAP Assistance

In addition to the federally mandated 60-month lifetime limit on cash receipt, Louisiana has instituted a 24-month “intermittent” time limit on FITAP assistance (see Exhibit 1.4). Under this policy, adult-headed cases are eligible to receive cash assistance for no more than 24 months (consecutive or nonconsecutive) over a given five-year period. FITAP child-only cases and KCSP cases are not subject to either the 60-month lifetime limit or the 24-month time limit.

Louisiana exempts recipients from the 24-month time limit for various reasons (see Exhibit 1.4). For example, a parent is exempt if he/she is actively seeking employment. To satisfy this condition, the parent must make a minimum of 20 job contacts per month and submit documentation of these contacts to his/her case manager. A job contact is defined broadly and may include completing an application form, attending an interview, taking a pre-employment test, or making telephone contact with a potential employer. A parent also is considered to be seeking employment if he/she is participating in a FIND Work job search program.

A parent who loses employment for reasons other than job performance also can be exempted from FITAP’s 24-month time limit. However, the parent must be actively seeking employment, as defined above.

Louisiana has stipulated that family hardship is cause for exemption from both the 24-month and 60-month time limits. Allowable hardships include:

- a parent’s serious addiction that precludes employment;
- unavailability of adequate child care or transportation;
- a temporary family crisis, such as the death of a family member, serious illness, or eviction;
- domestic violence; and

² Since September 1997, the federal minimum wage has been \$5.15 per hour.

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- a parent providing full-time care to an incapacitated or disabled family member in the home.

Hardship exemptions require supervisory approval and must be re-evaluated at case redetermination or at the end of the time period for which the condition is expected to last.

Exhibit 1.4

Time Limits on Receipt of FITAP Assistance

24-Month Time Limit:

Families will not be eligible for cash assistance if the parent has received FITAP assistance for 24 months (consecutive or nonconsecutive) during the prior 60-month period.

The 24-month time limit will not apply if:

- the parent is incapacitated or disabled;
- the parent has been actively seeking employment and has been unable to find employment;
- factors relating to job availability are unfavorable;
- the parent loses his/her job due to factors not related to job performance;
- an extension of benefits for up to one year will enable the adult to complete FIND Work approved education related to employment or training;
- the parent is employed and entitled to the \$900 earned income disregard;
- hardships have occurred that impair the parent's ability to obtain employment.

Months after June 1999 in which the recipient receives the \$900 earned income disregard are not counted toward the 24-month time limit.

Months in which the incapacity of the parent has been established or in which the parent is pregnant are not counted toward the 24-month time limit.

Assistance will not be denied to an incapacitated or disabled individual in an assistance unit that reaches the 24-month time limit.

Lifetime Limit:

No cash assistance will be provided to a family that includes an adult who has received assistance for a total of 60 months.

Assistance can be extended to a family due to hardship.

Twelve other states have implemented two-part time limits similar to Louisiana's, although the specific time limits vary across different states. Like Louisiana, most of these states allow certain exemptions from or extensions of one or both time limits.

Work Requirements

The participation requirements for the FIND Work Program closely follow federal TANF regulations regarding work requirements. Federal regulations stipulate the types of work activities that are allowed to count for state work participation rate calculations. Allowable work activities in the FIND Work Program include those activities that are countable under federal regulations. Federal regulations stipulate the weekly hours of work activity participation required for single-parent and two-parent families, and place limits on the hours spent in education, training, and job search activities. In addition, if a parish office is meeting the federally required work participation rate, it may place recipients in non-countable education activities, including vocational education beyond the 12-month limit, secondary/GED education, and employment-related education.

The major exemption from the work participation requirement is for a single parent who is providing care for a child under age one. This exemption is allowable for a maximum of 12 months per adult recipient. In addition, the State has established various good-cause reasons for not participating in the FIND Work program. The key features of the State's work requirement policy are outlined in Exhibits 1.5 and 1.6.

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Exhibit 1.5

Work Requirement for FITAP Recipients

Hours Requirement:

A single parent or caretaker relative in the assistance unit must participate for at least 30 hours per week.

In two-parent/caretaker households, both parents/caretakers must participate for a combined total of at least 35 hours per week; if child care is provided, they must participate for a combined total of 55 hours per week.

Exemptions from Work Requirement and Good-Cause Reasons for Not Participating:

Exemptions: FITAP recipients may be exempt from participating in work activity. Exemptions are allowed for:

- dependent children under age 16
- dependent children ages 16 to 19 attending school
- a single parent or caretaker relative providing care for a child under age one (for a maximum of 12 months)
- a parent or caretaker relative not included in the assistance unit

Good-Cause Reasons: FITAP recipients are required to participate but may be given good-cause reasons for not participating. Good-cause reasons include:

- personal injury or illness
- physical or mental incapacity
- age 60 or older
- a family crisis or emergency
- domestic violence
- unavailability of transportation or child care
- health or safety hazards at the participation site
- discrimination based on race, religion, sex, age, or national origin
- appointment with a health care provider.

Exhibit 1.6

Allowable Work Activities for Work Requirement

Allowable Work Activities:

Work activities that are counted in the federal work participation rate include the following:

- unsubsidized or subsidized employment
- unpaid work experience
- on-the-job training
- job search/job readiness (limited to six weeks)
- vocational education (for a maximum of 12 months)
- secondary school attendance and preparation for a GED (for recipients without a high school diploma or GED)
- education directly related to employment (for recipients without a high school diploma or GED)
- job skills training directly related to employment
- community service*
- provision of child care services to an individual who is participating in community service*

Non-Countable Activities:

If a parish office is meeting the work participation rate, it may place recipients in non-countable education activities, including vocational education beyond the 12-month limit, secondary/GED education, and employment-related education.

Limits on Participation in Education Activities:

- Not more than 30 percent of individuals who meet countable participation requirements in a month may be participating in a vocational education activity.
- For participants 20 years of age or older, participation in GED preparation, education related to employment, and job skills training is countable only after 20 hours of participation in other countable activities (for single-parent families) or 30 hours of participation in other countable activities (for two-parent families).

* While allowable under the State TANF Plan, Louisiana does not currently assign recipients in these activities.

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Sanctions

A recipient who fails to comply with program rules must be sanctioned by program administrators. For certain program requirements—specifically, the work requirement and drug screening, testing, and rehabilitation requirements for adult recipients—Louisiana uses a two-level sanction policy (see Exhibit 1.7). When a recipient initially fails to comply with a program requirement without good cause, the recipient is removed from the assistance unit’s benefit calculation for a period of three months, resulting in a reduced cash grant for the family.³ If the recipient remains in noncompliance after three months, the case is closed until the recipient cooperates with the program requirement.

In families where a child fails to comply with the school attendance requirement or the child immunization requirement, the child’s needs are removed from the FITAP grant until the child re-establishes compliance. In cases where a parent refuses to accept an offer of full-time employment, without good cause, eligibility of the entire assistance unit is terminated for three months. Failure to cooperate with child support enforcement requirements results in closure of the entire FITAP case.

The State has established two situations in which recipients are not sanctioned for failure to meet program requirements: (1) recipients who are involved in a domestic violence situation, and (2) single custodial parents or caretakers of a child under age six who have been unable to obtain needed child care.

³ The assistance unit includes all members of a family who are receiving assistance. In certain situations, not all family members residing together will be included in the assistance unit. The most common occurrences of this involve child-only cases, in which a caretaker relative resides in the household with the children but is not part of the assistance unit, or a parent who resides with his/her children but is receiving SSI and is not eligible to be included in the FITAP assistance unit.

Exhibit 1.7 Sanction Policies

Sanctions may be imposed if recipients are not in compliance with following program requirements.

Work Requirement:

Failure to participate in the FIND Work Program, without good cause, results in removal of the recipient's needs from the FITAP grant for three months; continued noncompliance at the end of the three-month sanction period results in case closure for at least one month and until the individual complies.

Drug Screening, Testing, and Rehabilitation:

Failure to participate in drug screening, testing, or rehabilitation/education, without good cause, results in removal of the recipient's needs from the FITAP grant for three months; continued noncompliance at the end of the three-month sanction period results in case closure until the individual complies.

Refusal to Accept a Job:

Eligibility for FITAP assistance is terminated for three months if the parent in the assistance unit refuses the opportunity for full-time employment without good cause.

School Attendance:

At case redetermination, a child who has missed more than 15 days of school during the previous six months, without good cause, is placed in probationary status. During the probationary period, if the child is absent from school for more than three days in a month, without good cause, the child's needs are removed from the FITAP grant until child meets the attendance requirement.

Child Immunization:

Children must be immunized according to the schedule developed by the Louisiana Office of Public Health. Failure to follow this schedule will result in the child being removed from the FITAP grant until the required immunization has been received.

Cooperation with Child Support Enforcement:

Adult FITAP recipients must cooperate with Support Enforcement Services to identify and locate the parent of any child in the assistance unit, establish the paternity of any child in the assistance unit born out of wedlock, and obtain child support payments. Failure to cooperate without good cause will result in termination of benefits to the assistance unit.

Exemption from Sanctions:

The following types of recipients are exempt from sanctions:

- single noncustodial parents or relatives caring for a child under six, if they are unable to find needed child care
- recipients involved in a domestic violence situation

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Supportive Services

TANF recipients in Louisiana have access to various supportive services intended to help them move into work and self-sufficiency. While participating in the FIND Work Program, recipients are eligible for child care assistance, transportation assistance, and assistance for other employment-related expenses. In addition, FITAP recipients whose cases are closed due to increased earnings are eligible for monthly transitional assistance payments for up to 12 months.

Child care assistance is administered through the Child Care Assistance Program. Transportation assistance, assistance for other work-related expenses, and transitional assistance are administered through FIND Work. The policies governing the supports offered through FIND Work are described in Exhibit 1.8.

Exhibit 1.8

Supportive Services for FITAP/FIND Work Participants

Transportation Payments:

- Payments of up to \$500 per month are allowed for transportation expenses, including car repair.

Assistance with Work-Related Expenses:

- Payments of up to \$600 per year are allowed for work-related expenses such as eyeglasses, hearing aids, uniforms/clothing, tools and training materials, placement test fees, safety equipment, and transportation-related expenses,

Transitional Assistance:

- FITAP recipients whose cases are closed due to earnings are eligible for \$120 assistance payments for each month in which they are employed, for a total of 12 months (lifetime limit).
- In any month in which transitional assistance is received, recipients are also eligible for up to \$200 of other supportive services payments.

Program Design and Complexity: Implications for Case Management

Federal TANF regulations stipulate a number of program requirements that recipients must satisfy to remain eligible for cash assistance. Chief among these is the work requirement, aimed at helping recipients become self-sufficient. In addition, adult TANF recipients must insure that their children are immunized and must cooperate with Child Support Enforcement authorities. Louisiana's TANF program has several additional features that require compliance monitoring by case managers, including the 24-month time limit and the school attendance requirement. Consequently, case managers are required to spend a significant amount of time ensuring that recipients are in compliance with these various requirements. For example, based on BPA's initial interviews with state program officials and the caseload analysis presented in Chapter 2 of this interim report, it appears that many recipients request and receive exemptions from the 24-month time limit. This indicates that case managers must devote significant resources to managing and documenting exemption requests. In addition, for some recipients, not all months of FITAP assistance count toward the 24-month time limit, adding to the complexity of managing this program requirement. Similarly, for the school attendance requirement, case managers must insure that recipients obtain documentation from their local school district.⁴

This raises the prospect that a tradeoff may exist between the time case managers spend monitoring compliance with these program requirements and the time they can devote to recipient assessment, development of individual responsibility plans, and oversight of work activities, all of which are intended to guide recipients toward self-sufficiency. This tradeoff will potentially become more constraining for case managers with larger caseloads. As BPA conducts visits to local parish offices, we will assess the extent to which such a tradeoff exists and what implications, if any, it poses for the overall quality of case management services provided by the FITAP and FIND Work programs.

⁴ There is some evidence to suggest that managing the 24-month time limit and the school attendance requirement has been difficult for case managers. The Legislative Auditor has reported insufficient documentation in case files for both the 24-month time limit exemption and the school attendance requirement. State of Louisiana Legislative Auditor, "Department of Social Services Management Letter for the Year Ended June 30, 2000," March 28, 2001. Because the sample of cases reviewed by the Legislative Auditor's Office was small (40 cases), it is not possible to determine how widespread these problems are.

Chapter 2

Overview of FITAP Caseload

Chapter Highlights

- The FITAP caseload declined by about 60 percent between 1997 and 2001. The rate of caseload decline has slowed since summer 2000.
- The decline in the FITAP caseload is mostly due to a large decrease in single-parent cases. By contrast, the number of child-only (payee-only) cases has not changed significantly since the start of FITAP.
- Over 100,000 adults had participated in FITAP through September 2001. About one-fifth of participants had received benefits for over 24 months, and thus were potentially subject to the State's 24-month time limit.
- Twenty-eight percent of adult recipients who left FITAP in 2000 re-entered the program within 12 months. FITAP's re-entry rate is comparable to that of TANF programs in other states.

Introduction

As noted in Chapter 1, with the implementation of the Family Independence Temporary Assistance Program (FITAP) in January 1997, Louisiana's welfare system became focused on promoting self-sufficiency through work and ending long-term reliance on cash assistance. Louisiana's welfare caseload—in terms of size, composition, and demographic characteristics—was expected to reflect this transformation in program goals and emphasis. In this chapter, we use State administrative data to examine key

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- trends in the FITAP caseload.¹ In particular, we focus on the following caseload indicators:
 - Changes in caseload size. We examine trends in the size of the FITAP caseload from 1997 to 2001.
 - Caseload trends by case type. We examine changes over time in the composition of the FITAP caseload by case type: single-parent, two-parent, and child-only (payee-only).
 - Trends in time-on-assistance and recidivism. We examine the number of months adult recipients spent on FITAP and their recidivism (re-entry) rate after leaving the program.

Changes in FITAP Caseload Size

As shown in Exhibit 2.1, the FITAP caseload has steadily declined since implementation. At the start of FITAP in January 1997, the total caseload was nearly 57,000. By September 2001—the latest month for which data were available for this report—the FITAP caseload had dropped to under 25,000, a 60 percent decrease.

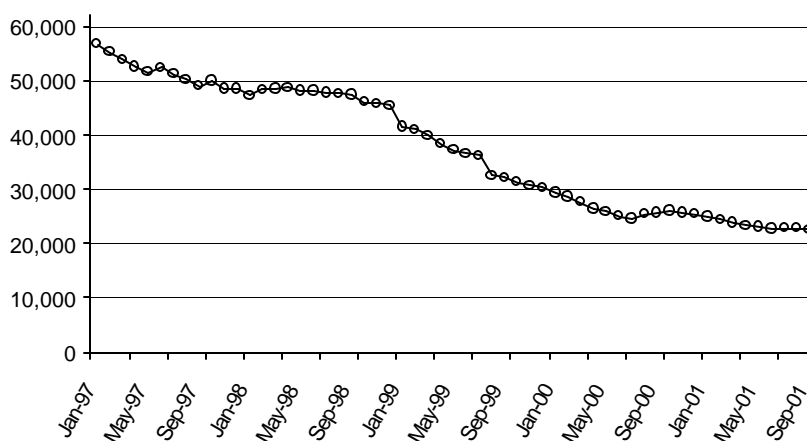
The decline in the FITAP caseload between January 1997 and September 2001 outpaced the decline in the national TANF caseload; nationally, the TANF caseload fell by 49 percent over the same period. The rate of caseload decline in Louisiana was comparable to that in most neighboring states. For example, TANF caseloads dropped by 45 percent in Arkansas, 59 percent in Mississippi, and 52 percent in Alabama. The rate of decline in Texas was higher at 73 percent.² Existing studies attribute at least some of the decline in

¹ This report utilizes TANF Files prepared by the Louisiana Department of Social Services (DSS), Office of Information Services. Created for federal reporting purposes, TANF Files are based on L'AMI, JAS, and other administrative data systems. The numbers presented in our analysis may not exactly match those in monthly *Statistical Reports* produced by the DSS Office of Family Support. This is because TANF Files data and *Statistical Reports* data were created for different reporting purposes and thus are processed using different definitions and algorithms. However, case counts and patterns reported in BPA's analysis are highly comparable to those reported in *Statistical Reports*.

² U.S. Department of Health Human Services, Administration for Children and Families, *U.S. Welfare Caseload Information* (<http://www.acf.dhhs.gov/news/stats/newstat2.shtml>).

TANF caseloads nationally to the strong economy of the late 1990s.³ Accordingly, the substantial reduction in Louisiana’s cash assistance caseload likely reflects both the impact of FITAP and the favorable economic conditions in the state.

Exhibit 2.1
Total FITAP Cases
 January 1997-September 2001



Source: BPA staff calculations based on Louisiana DSS TANF Files.

While the FITAP caseload declined continuously through September 2001, the rate of decline slowed starting in July 2000, and the total number of cases leveled off in 2001 (see Exhibit 2.1). Moreover, the February 2002 Statistical Report from the Department of Social Services (DSS) indicates that the caseload increased slightly in the last quarter of 2001 and then declined again in January and February 2002.⁴

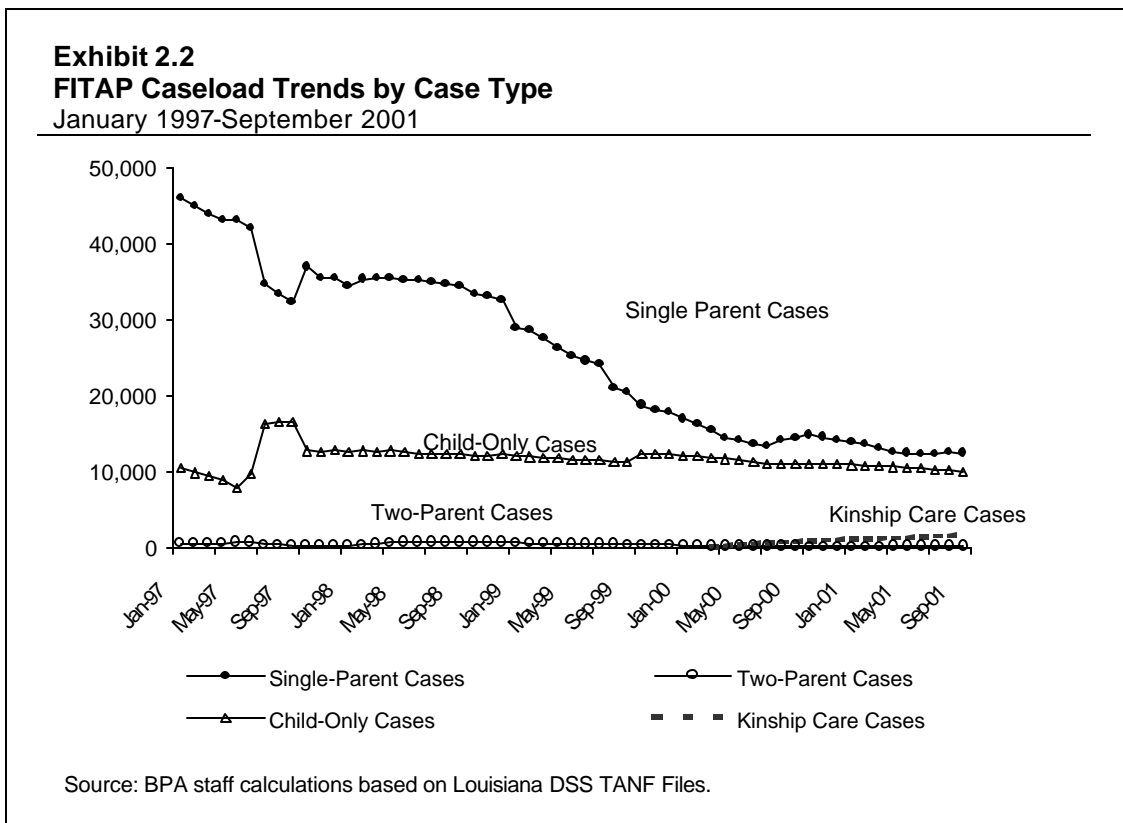
³ “Welfare and the Economy,” Welfare and Reform and Beyond Policy Brief, No.7, Washington D.C: Brookings Institution, September 2001.

⁴ Louisiana DSS, Office of Family Support, *Statistical Report*, February 2002.



FITAP Caseload Trends by Case Type

Caseload trends by case type—single-parent, two-parent, and child-only—are presented in Exhibit 2.2. Single and two-parent cases include adult caretakers related to a child by blood, marriage, or adoption as beneficiaries. In most cases, these adults are parents of the child(ren) on the case. As noted in Chapter 1, these adult recipients are subject to work requirements. Child-only cases—also known as payee-only cases—include only children as beneficiaries and do not include adult caretakers in the household. Adult caretakers in child-only cases are not subject to work requirements.



As shown in Exhibit 2.2, the substantial decline in single-parent cases accounts for almost all of the total caseload decline in Louisiana. During the first year of FITAP (more specifically, during the third quarter of 1997), a sudden large drop in the number

of single-parent cases occurred, along with a corresponding spike in child-only cases.⁵ These changes were largely due to a one-time reassignment of single-parent cases to child-only cases. Early in FITAP implementation, such case-type conversions were not uncommon for relative-caretaker cases, in which adults deciding not to be subject to work requirements were removed from cases.

As a result of the large decline in single-parent cases between 1997 and 2001, child-only cases increased as a proportion of FITAP cases. At FITAP's inception in January 1997, child-only cases accounted for about one-fifth of the caseload. By September 2001, child-only cases accounted for two-fifths of FITAP cases.

The general shift toward child-only cases is even greater if the TANF-funded Kinship Care Subsidy Program (KCSP) is taken into account. Implemented in March 2000, KCSP provides cash assistance to households in which children are cared for by low-income relatives. KCSP enrollment has increased steadily since implementation. By September 2001, there were over 1,600 KCSP cases (see Exhibit 2.3) assisting about 3,000 children. At that time, the number of child-only cases in FITAP and KCSP combined nearly equaled the number of adult-headed cases in FITAP.

Exhibit 2.3
Caseload by Case Type
 September 2001

Number of FITAP Cases		
Single-parent cases	12,423	55.2 %
Two-parents cases	201	0.9 %
Child only cases*	<u>9,892</u>	<u>43.9 %</u>
Total	22,516	100.0 %
Number of Kinship Care Cases	1,643	

Source: BPA staff calculations based on Louisiana DSS TANF Files.

* Includes 81 cases which were sanctioned. These are most likely to be the cases in which adult heads were sanctioned.

⁵ Further analysis of the data confirms that most of children on new child-only cases in July 1997 were previously in adult-headed cases.

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Time Limits and Length of Time on Assistance

Time limits on assistance are a key component of FITAP. By emphasizing that cash benefits are strictly temporary, time limits are intended to encourage FITAP recipients to prepare for self-sufficiency through participation in work activities. Adult recipients in Louisiana are subject to (1) a limit of 24 months of FITAP assistance over a given five-year period, and (2) the federally mandated 60-month lifetime limit on cash assistance.

For a majority of adult recipients who have been on FITAP, the State’s 24-month time limit has not been a concern. Between January 1997 and September 2001, over 100,000 adults were enrolled in FITAP for at least one month.⁶ As shown in Exhibit 2.4, over half (54 percent) of those adults received benefits for a total of 12 months or less. Thus, as of September 2001 the majority of recipients were not expected to reach the 24-month time limit in the near future.

Exhibit 2.4		
FITAP Program Participation Summary		
January 1997 – September 2001		
Number of adults who ever participated in FITAP (through 9/01)		103,083
By cumulative FITAP months:	1 – 6 months	33,124 (32.1%)
	7 – 12	22,786 (22.1%)
	13 – 24	27,505 (26.7%)
	25 – 30	9,556 (9.3%)
	31 or more	10,112 (9.8%)

Source: BPA staff calculations based on Louisiana DSS TANF Files.
 Note: The sample consists of all adult recipients who had ever participated in FITAP through Sept 2001, including those who were receiving cash assistance in September 2001.

We estimate that two thirds of adults who accumulated at least 24 months of FITAP continued to stay on assistance and were likely to have received exemptions from the 24-month time limit. About 20,000 adults—or about one-fifth of the caseload—had accumulated more than 24 months on FITAP by September 2001. As shown in Exhibit 2.4, many of these recipients had received FITAP for considerably more than 24 months.

For example, about 10,000 recipients—or 10 percent of all adults who had ever enrolled in FITAP—had received cash benefits for over 30 months. In a separate analysis, we also estimated that, of those who had accumulated 24 or more months, only about 36 percent left FITAP within three months of reaching 24 months, indicating that the majority of those who reached the 24-month time limit may have continued to stay on FITAP.⁷

Most of those recipients who stayed on FITAP for more than 24 months are likely to have received exemptions from the State's 24-month time limit. In certain cases, exemptions may not have been required, as some assistance months are not countable toward the 24-month time limit.⁸ Still, as noted in Chapter 1, the number of adult recipients accumulating more than 24 months of FITAP is high enough that case managers are likely devoting a significant amount of time to processing recipients' time-limit exemption requests. BPA's Final Evaluation Report in October 2002 will present a more detailed analysis of issues related to Louisiana's 24-month time-limit policy, including the types of exemptions granted, the outcomes associated with reaching the 24-month time limit, and the characteristics of time-limited families.

As of September 2001, more than 250 adults were estimated to be within three months of accumulating 60 months on FITAP. The number of adult FITAP recipients actually reaching the federally mandated lifetime limit of 60 months starting January 2002 should be smaller, however, as some recipients might be exempt from the lifetime limit or might leave FITAP before reaching the time limit. The Final Evaluation Report will examine in more details how cases have been affected by the lifetime limit.

⁶ We counted total months of receipt of FITAP assistance, regardless of exemption status and across multiple spells of assistance.

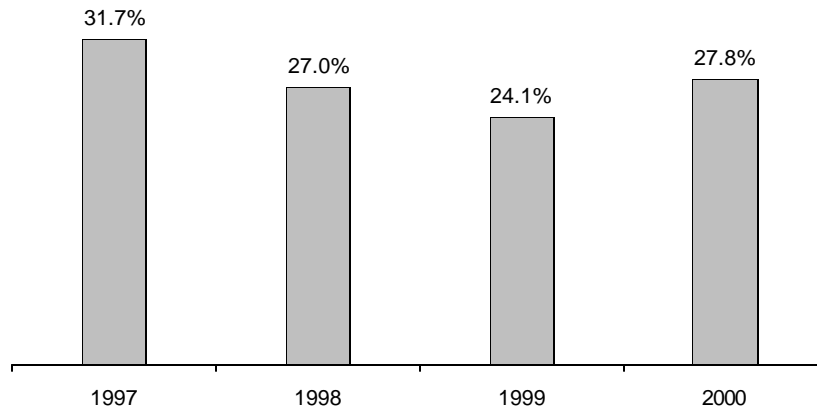
⁷ This analysis is conducted for adult recipients who have accumulated at least 24 months by June 2001 (n=21,293). Of those, 15.0 percent left FITAP after accumulating 24 months, 11.8 percent exited after 25 months, and 9.6 percent left after 26 months. The rest (63.6 percent) continued to stay on FITAP beyond 26 months, but a relatively small number (13.5 percent) stayed on the program beyond 36 months. Of the recipients who exited after accumulating 24 to 26 months, about one third eventually had returned to FITAP.

⁸ As discussed in Chapter 1, months in which the recipient receives the \$900 earned income disregard or in which the recipient is deemed incapacitated are not counted toward the 24-month time limit.

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Recidivism among FITAP Leavers

A declining caseload does not guarantee that FITAP is achieving its goal of promoting long-term self-sufficiency among participating families. It is also important to know whether families who exit FITAP stay off cash assistance. Thus, another key indicator is the recidivism rate, or the rate of re-entry, among program leavers.

Exhibit 2.5
Recidivism among Adult FITAP Leavers
Percentage of Leavers Who Returned to FITAP Within 12 Months by Year of Exit



Source: BPA staff calculations based on Louisiana DSS TANF Files. Note. Number of observations=41,346 for 1997; 27,276 for 1998; 34,045 for 1999; and 17,741 for 2000. The 2000 exit group includes those who left FITAP from January to August 2000.

Exhibit 2.5 shows re-entry rates among adult FITAP leavers by year of exit. Overall, the rate of re-entry has decreased since the implementation of FITAP. Twenty-eight percent of adults who exited FITAP in 2000 re-entered the program within 12 months, down from 32 percent of those who exited in 1997. However, the re-entry rate for 2000 leavers represented a slight increase from the re-entry rates of the 1998 and 1999 leaver groups (27 and 24 percent, respectively).

The re-entry rate for FITAP participants is comparable to that seen in other states. A recent report by the U.S. Department of Health and Human Services reported that 12-month re-entry rates from 11 states and the District of Columbia ranged from 17 percent to 38 percent (with a median of 27 percent).⁹ BPA’s study of Arkansas’ TANF program also reported that about 27 percent of the 1998 leaver group returned to the program within 12 months.¹⁰ Exhibit 2.6 summarizes recent recidivism rates by state.

**Exhibit 2.6
Recidivism among TANF Cash Assistance Leavers by State**

State (Year of Exit)	Percentage of Adult Leavers Who Returned to Cash Assistance in Year after Exit
Louisiana (1998 Exit Group)	27 (%)
(1999 Exit Group)	24
Arizona (1998)	28
Arkansas (1998)	27
District of Columbia (1998)	21
Florida (1997)	25
Georgia (1998)	22
Illinois (1997-98)	29
Iowa (1999)	30
Massachusetts (1998-99)	19
Missouri (1996)	29
South Carolina (1998-99)	17
Washington (1997)	23
Wisconsin (1997)	36
Ohio, Cuyahoga County (1998)	38

Source: BPA staff calculations based on Louisiana DSS TANF Files; US DHHS, Final Synthesis Report of Findings from ASPE Leaver Grants, 2001; BPA, Evaluation of Arkansas’ Transitional Employment Assistance Program, Seventh Bi-Annual Report, 2001.

⁹ U.S. Department of Health and Human Services, Office of Assistant Secretary for Planning and Evaluation (ASPE), *Final Synthesis Report of Findings from ASPE “Leaver” Grants*, Table IV-I, November 2001. The 11 states included in the study, along with the District of Columbia, were Arizona, Florida, Georgia, Illinois, Iowa, Massachusetts, Missouri, Ohio (Cuyahoga County), South Carolina, Washington, and Wisconsin. Re-entry rates were reported for various periods between 1996 and 1999.

¹⁰ Berkeley Policy Associates, *Evaluation of Arkansas’ Transitional Employment Assistance (TEA) Program: Seventh Bi-Annual Report*, January 2001.



Chapter 3

Profile of FITAP Recipients

Chapter Highlights

- A representative adult FITAP recipient in September 2001 was a 27-year-old female with two children living in an urban area. She had been receiving FITAP assistance for five months.
- Data on personal characteristics indicate that FITAP recipients are likely to face serious challenges in achieving self-sufficiency. For example, among adult recipients in September 2001:
 - ◇ About half were repeat FITAP recipients.
 - ◇ Over one-quarter had received AFDC.
 - ◇ Nearly 40 percent had not been employed at all during the previous 12 months.
 - ◇ One-half did not have a high school diploma or GED.
- Our analysis of trends in recipient characteristics indicates that the FITAP caseload has not necessarily become increasingly comprised of hard-to-serve recipients over time. For example:
 - ◇ The share of long-term recipients in the FITAP caseload has declined.
 - ◇ The percentage with a high school diploma or GED among FITAP recipients has increased.
 - ◇ The proportion of adult recipients with no recent employment experience (i.e., during the previous 12 months) has declined.

Introduction

There has been widespread concern among program administrators, advocates, and policymakers nationwide that as the TANF program moved the most employable recipients off of assistance, caseloads would increasingly consist of hard-to-serve recipients—those with the greatest barriers to employment. To assess whether such a concern is warranted in Louisiana, in this chapter we present findings on selected characteristics of adult recipients in the Family Independence Temporary Assistance Program (FITAP).¹ Specifically, we examine:

- demographic characteristics of FITAP recipients,
- previous participation in cash assistance, and
- changes over time in the profile of FITAP recipients.

Characteristics of the Most Recent FITAP Recipients

In this section, we look at key demographic characteristics of single-parent case heads who were enrolled in FITAP in September 2001, the most recent month for which program data were available for this report. We also summarize these recipients' history of cash assistance. Our analysis focuses on adult heads of single-parent cases, because such cases are far more prevalent on the FITAP caseload than are two-parent cases. Throughout this chapter, we refer to single-parent case heads simply as “adult recipients.”

Demographic Characteristics

Exhibit 3.1 summarizes the demographic characteristics of adult recipients enrolled in FITAP in September 2001.

¹ Our analysis is based on case records from TANF Files of the Louisiana Department of Social Services (DSS).

Exhibit 3.1
Demographic Characteristics of FITAP Participants
 Adult Recipients in One-Parent Cases, September 2001

Average age		27.1 years
Age distribution:	19 or younger	11.2 %
	20 – 29	58.7 %
	30 – 39	20.7 %
	40 – 49	8.1 %
	50 or older	1.2 %
Gender	male	1.4 %
	female	98.6 %
Marital Status	Married (including separated)	13.2 %
	Never married	81.1 %
	Widowed or divorced	5.6 %
Race/Ethnicity	African American (non-Hispanic)	83.0 %
	White (non-Hispanic)	15.4 %
	Hispanic	1.2 %
	Other	0.4 %
Family Structure	Average number of children	2.1 children
	Average age of children*	4.8 years
	Percent with children under age 2	51.9 %
Level of Education Completed	Less than high school	49.6 %
	High school diploma or GED or higher	50.4 % **
Geography	Urban***	72.7 %
	Rural	27.3 %
Parishes with Largest Caseloads	Orleans	32.4 %
	Jefferson	6.3 %
	Caddo	5.4 %
	East Baton Rouge	3.7 %
	Ouachita	3.4 %
	Other Parishes	48.8 %

Source: BPA staff calculations based on Louisiana DSS TANF Files. Num. of observations =12,365.

* Average of children's age within household.

** Includes 0.4 percent with a level of education coded greater than high school or GED.

*** Urban areas include the following parishes: Acadia, Ascension, Bossier, Caddo, Calcasieu, East Baton Rouge, Jefferson, Lafayette, Lafourche, Livingston, Orleans, Ouachita, Plaquemines, Rapides, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Landry, St. Martin, St. Tammany, Terrebonne, Webster, and West Baton Rouge.

Most adult recipients are unmarried females in their 20s or 30s, with an average age of 27. Four out of five adult recipients are African American, and almost all of the rest are white. Half of adult recipients reported to have graduated from high school or obtained a GED. On average, adult recipients have two children, and just over half have a child under age two. Over 70 percent of single-parent case heads live in urban areas.² In terms of distribution across parishes, adult recipients are most heavily concentrated in Orleans (33 percent), followed by Jefferson (6 percent) and Caddo (5 percent). Although the caseload’s racial/ethnic and geographic characteristics have been relatively stable over time, other attributes, such as family structure, have changed over time (as discussed later in this chapter).

Cash Assistance History

Adult recipients’ current and prior involvement with cash assistance is summarized in Exhibits 3.2 and 3.3. These exhibits show that while most recipients in September 2001 have been on FITAP for less than a year, they also tend to be repeaters of the program.

Exhibit 3.2
Length of FITAP Receipt
 Adult Recipients in One-Parent Cases, September 2001

Total Months Cumulated on Current FITAP Case		
Median Length of FITAP Receipt		5.0 months
Distribution	1 – 12 months	78.8 %
	13 – 24	14.6
	25 or more	<u>6.5</u>
		100.0

Source: BPA staff calculations based on Louisiana DSS TANF Files.
 Note: Num. of observations =12,365. The sample includes FITAP spells that were open in September 2001, and the length of FITAP receipt is computed as of September 2001.

² Urban areas include the following parishes: Acadia, Ascension, Bossier, Caddo, Calcasieu, East Baton Rouge, Jefferson, Lafayette, Lafourche, Livingston, Orleans, Ouachita, Plaquemines, Rapides, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Landry, St. Martin, St. Tammany, Terrebonne, Webster, and West Baton Rouge.



As shown in Exhibit 3.2, about 80 percent of adult recipients in September 2001 had been receiving cash assistance for less than a year. The median duration of the current FITAP spell was 5 months, and only about 7 percent of recipients had been continuously on FITAP for 25 or more months.

At the same time, as shown in Exhibit 3.3, 53 percent of adult recipients in September 2001 had received FITAP at least once prior to their current spell. Twenty-nine percent of adult FITAP recipients had one prior spell of FITAP assistance, and 24 percent had two or more prior spells.

Exhibit 3.3
Previous Cash Assistance Receipt of FITAP Participants
 Adult Recipients in One-Parent Cases, September 2001

	Percent of Recipients
A. Number of Times on FITAP (Number of Spells)	
One (First -time FITAP participants)*	47.5 %
Two	28.9 %
Three or more	23.7 %
B. Recipient with AFDC History	
Received AFDC in Oct. – Dec. 1996	27.2 %
Continuously stayed on welfare from AFDC**	2.1 %

Source: BPA staff calculations based on Louisiana DSS TANF Files. Num. of observations =12,365.
 * Includes recipients who transitioned from AFDC to FITAP without interruption.
 ** Percent of recipients who were on AFDC in 12/96 and continuously stayed on FITAP through 9/01.

In addition, many adult FITAP recipients in September 2001 had previously received assistance through Aid to Families with Dependent Children (AFDC). Twenty-seven percent of adult recipients participated in AFDC in the three months prior to FITAP implementation.³ However, very few adult recipients in September 2001 (2 percent) had been receiving cash assistance continuously since the end of AFDC.

³ The indicator for AFDC receipt is based on participation in the last three months of 1996, immediately prior to FITAP implementation. If AFDC receipt prior to the fourth quarter of 1996 was taken into account, the share of FITAP recipients with AFDC receipt would be even larger.

These findings suggest that while the majority of FITAP recipients may not continuously stay on FITAP for a very long period of time, they are likely to be in and out of the program. As illustrated, the majority of recent recipients were repeaters, and over a quarter of them had AFDC experience. The findings are also consistent with the pattern of recidivism discussed in Chapter 2. As reported in Exhibit 2.5, about 28 percent of those who left FITAP in 2000 returned to cash assistance within 12 months. Many FITAP recipients thus continue to rely periodically on cash assistance and are yet to achieve long-term self-sufficiency.

Changes in Recipient Characteristics Over Time

To assess the extent to which the FITAP caseload is becoming increasingly comprised of long-term recipients with the greatest barriers to employment, we examine how several key characteristics of FITAP recipients changed between 1997 and 2001. The characteristics we examine include: (1) age; (2) the extent of past welfare receipt; (3) level of education; and (4) recent employment experience. As before, our analysis focuses on adult heads of single-parent cases.

Changes in Recipient Age

Adult FITAP recipients are becoming younger, on average, over time. As shown in Exhibit 3.4, the average age of adult recipients fell from 30 to 27 between 1997 and 2001. Since parental age is correlated with children's age, the decline in the average age of adult caretakers implies that children on these cases also became younger, on average, over time. For example, we find that the share of recipients with a child under age two increased from 45 percent in October 1999 to 52 percent in September 2001.

To the extent that having very young children makes it difficult to obtain or keep a job, the decline in the recipient age suggests that the caseload has become increasingly comprised of those who are likely to face employment barriers due to family composition. Since such age-based barriers are temporary for most recipients, they will not necessarily contribute to life-long reliance on cash assistance. Still, it may be particularly challenging for parents with very young children to try to become fully self-sufficient before reaching the 24-month time limit.

Exhibit 3.4
Change in Average Age of FITAP Recipients
 Adult Recipients in One-Parent Cases

1997	October	29.4 years
1998	October	29.0
1999	October	28.1
2000	October	27.4
2001	September	27.1

Source: BPA staff calculations based on Louisiana DSS TANF Files.
 Note: Num. of observations = 36,970 for 10/97; 33,804 for 10/98; 18,855 for 10/99; 14,860 for 10/00; and 12,365 for 09/01.

Changes in Prior FITAP Participation

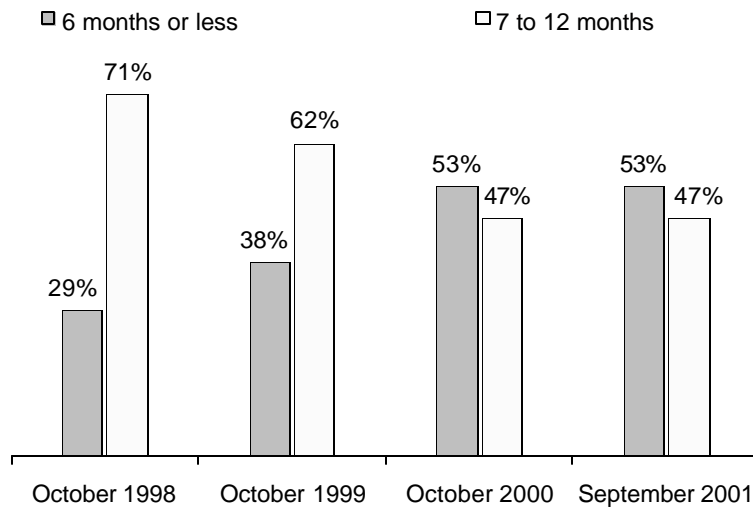
Since long-term recipients are typically identified as hard-to-serve recipients, we examine how the extent of recipients' welfare use has changed over time. To measure welfare use, we use the number of months spent on FITAP during the past year.⁴ Results are summarized in Exhibit 3.5.

Our analysis shows that the FITAP program has not experienced an increased prevalence of long-term recipients over time. The proportion of recipients with seven or more months of FITAP assistance in the prior year decreased between 1998 and 2000, and stabilized thereafter. In October 1998, 71 percent of recipients had been on FITAP for seven or more months during the previous year; this percentage dropped to 47 percent of recipients in September 2001. During this same period, the share of recipients who had been on FITAP for six or fewer months in the past year increased from 29 to 53 percent.⁵

⁴ We examine the months of FITAP receipt during the 12 months immediately preceding in order to make the measures across groups comparable. All FITAP months in the prior 12 months are counted regardless of whether they are from one continuous FITAP spell or from more than one spell. Because data prior to October 1996 are not available, 1997 FITAP recipients are not included.

⁵ In a separate analysis, we examined the length of FITAP spells among first-time adult recipients by year of entry. Consistent with the results reported in Exhibit 3.4, we found the average time spent on FITAP has shortened since 1998. For example, the proportion of those who stayed on the program for more than a year declined from 29 percent among those who entered FITAP in 1998, to 21 percent among 1999 entrants, to 17 percent among 2000 entrants (through August). In addition, the proportion who stayed on three or fewer months increased from 15 percent in 1998, to 21 percent in 1999, to 26 percent in 2000. This indicates that program requirements have been relatively successful in terms of encouraging recipients to leave cash assistance more quickly.

Exhibit 3.5
Number of Months Spent on FITAP in Previous Year
 Adult Recipients In Single-Parent Cases

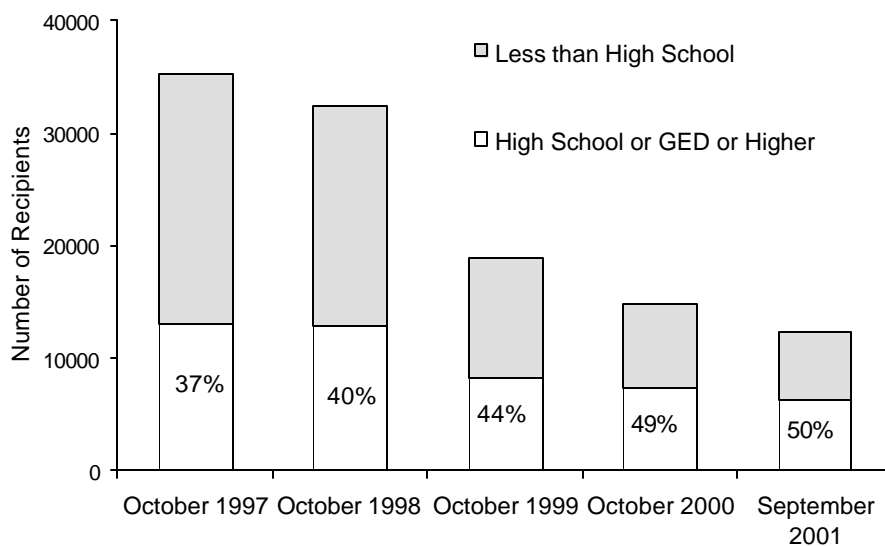


Source: BPA staff calculations based on Louisiana DSS TANF Files.
 Note: Num. of observations = 36,970 for 10/97; 33,804 for 10/98; 18,855 for 10/99; 14,860 for 10/00; and 12,365 for 9/01. The category "6 months or less" includes those who did not participate in FITAP in previous 12 months.

Changes in Education Level

Education level is generally a reliable predictor both of an individual's job skills and of his/her employment outcomes. A low education level is associated with low job skills, which in turn point to greater challenges in finding employment or securing high wages. Exhibit 3.6 shows change over time in the percentage of adult FITAP recipients who have completed high school or obtained a GED.

Exhibit 3.6
Percentage of FITAP Recipients with High School Diploma, GED, or Higher Degree
 Adult Recipients in Single-Parent Cases



Source: BPA staff calculations based on Louisiana DSS TANF Files.

Note: Number of observations= 35,213 for 10/97; 32,354 for 10/98; 18,855 for 10/99; 14,860 for 10/00; and 12,365 for 09/01. The sample include adult recipients in single-parent cases for whom education records were available.

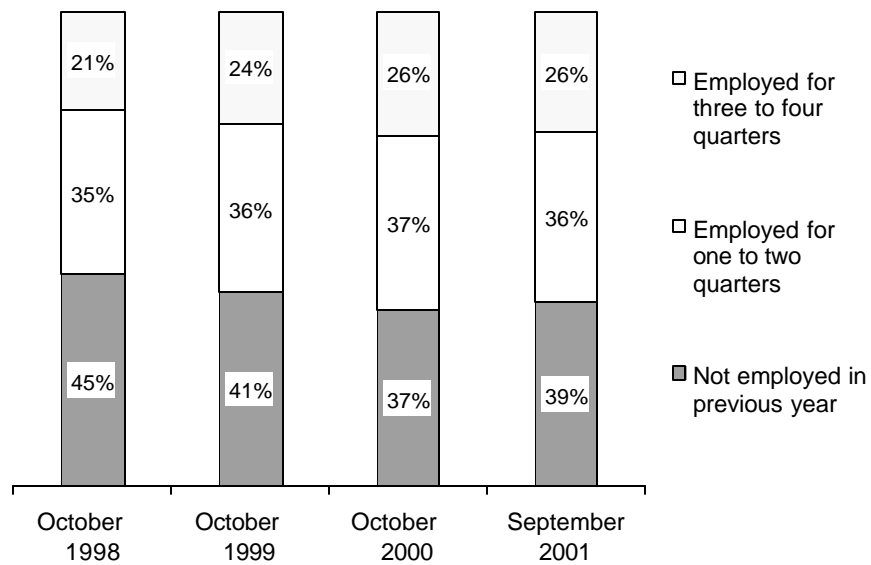
The proportion of recipients with at least high-school level education increased from 37 percent in 1997 to 50 percent in 2001. While the reasons for this increase are not apparent, there is little evidence that the FITAP program increasingly consists of recipients with greater educational barriers to employment. It should be underscored, however, that about half of adult recipients in the most recent month still do not have a high school diploma or GED and, therefore, are likely to face greater employment challenges.

Changes in Recent Employment Experience

Previous employment is another indicator of the extent to which FITAP recipients face barriers to employment and self-sufficiency. If the proportion of FITAP recipients with less job experience were increasing, this might signal that the FITAP caseload is

becoming more disadvantaged. Exhibit 3.7 shows how recent employment experience among FITAP recipients has changed over time. To measure recent employment experience, we use the number of quarters in which a recipient was employed during the past year.⁶

Exhibit 3.7
Number of Quarters Employed in the Previous Year
 Adult Recipients in Single-Parent Cases



Source: BPA staff calculations based on Louisiana DSS TANF Files.
 Note: Number of observations= 33,804 10/98; 18,855 for 10/99; 14,860 for 10/00; 12,365 for 09/01.

⁶ A recipient is defined as employed in a given quarter if quarterly earnings were \$100 or greater. Employment data were extracted from the Louisiana Department of Labor’s Unemployment Insurance records. See Chapter 5 for a discussion of our use of UI wage records in the evaluation.



The level of recent employment among FITAP recipients has increased over time. The share of recipients with three or four quarters of employment during the prior year increased from 21 percent in 1998 to 26 percent in 2000, then remained at the same level for 2001. At the same time, the share of FITAP recipients who had no employment in the previous year decreased from 45 percent in 1998 to 37 percent in 2000, and increased slightly to 39 percent in 2001.

Trends in recipients' recent employment experience are influenced by changes in labor market conditions. The increase and subsequent leveling-off of recipients' recent employment between 1998 and 2001 may reflect changes in the economy more than changes in the characteristics of recipients. Nevertheless, there is little evidence to suggest that the caseload increasingly consists of recipients with less recent job experience.

Implications of Findings on Recipients' Characteristics

Our analysis of changes in the profile of adult recipients suggests that the FITAP caseload is not becoming overwhelmed by hard-to-serve recipients. On the contrary, the most recent recipients have lower levels of prior FITAP receipt and higher levels of recent employment experience, and are more likely to have a high school diploma or GED. Thus, the findings presented here suggest that the most recent FITAP recipients may in fact be somewhat less disadvantaged in certain respects than earlier recipients.

However, we must offer three important caveats regarding this analysis. First, the fact that the most recent FITAP recipients appear to be less disadvantaged than earlier recipients should not obscure the fact that the typical FITAP recipient still faces many challenges to employment and self-sufficiency. As discussed above, one half of adult recipients in September 2001 still did not have a high school diploma or GED; one half had a very young child (under age two); and nearly 40 percent had not been employed at all during the previous 12 months. In addition, over one half were FITAP repeaters, and at least one quarter had received AFDC, indicating that many recipients who exit cash assistance are not necessarily on a sustainable path to self-sufficiency and may eventually return to the program.

Second, while the measures reported in this chapter are important indicators of barriers to self-sufficiency, there are many other potential barriers that we have not examined. Among these are lack of child care and transportation, substance abuse problems, mental and physical health issues, and domestic violence.

Third, while the FITAP caseload as a whole appears to be growing less disadvantaged, this overall trend may mask the great difficulty faced by a relatively small number of recipients who are not exiting welfare despite long-term assistance. BPA's Final Evaluation Report will utilize findings from field studies as well as further analysis of administrative data to investigate the challenges faced by long-term recipients.

Chapter 4

Participation in Work Activities

Chapter Highlights

- Among adults who participate in a work activity, unsubsidized employment is the predominant activity. In September 2001, 62 percent of all work activity participants were engaged in paid employment. The next two most utilized activities are vocational education and work experience. In September 2001, 21 percent of work activity participants were enrolled in vocational education and 18 percent in work experience.
- Between 35 and 40 percent of all adult FITAP recipients participate in a work activity in any given month. Excluding those who are exempt, between 43 and 50 percent participate in an activity. Recipients can be exempted from work activity participation if they are providing care for a child under age one. In September 2001, 23 percent of adult recipients received this exemption.
- Very few adult recipients who lack a high school diploma or GED participate in a GED preparation activity while in FITAP. Less than 2 percent of adult recipients age 20 or older without a high school diploma or GED participate in a work activity involving GED preparation while on FITAP.
- Recipients without a high school diploma or GED are less likely to participate in unsubsidized employment and vocational education activities than recipients with higher education levels.
- Recipients in rural parishes are more likely to participate in work activities than those residing in urban parishes. In particular, rural recipients enroll in unsubsidized employment and in work experience at higher rates than urban recipients. Their participation rates in education and training-related activities such as vocational education are comparable to participation rates of urban recipients.

Introduction

A primary goal of the TANF program is to help recipients obtain employment which leads to self-sufficiency. To achieve this goal, TANF requires that recipients participate in federally approved work activities, which include employment and other activities that prepare recipients to begin working. In Louisiana, the Family Independence Work Program (FIND Work) was established to oversee the work component of TANF for Family Independence Temporary Assistance Program (FITAP) recipients. The FIND Work Program places FITAP recipients in the following federally approved work activities:

- Unsubsidized employment,
- Private subsidized employment,
- Public subsidized employment,
- Work experience,
- On-the-job training,
- Job search and job readiness,
- Vocational education,
- Education related to employment, and
- School attendance and GED preparation.

In 2001, federal TANF rules required that adults in 45 percent of all families participate in a federally approved work activity for 30 hours per week. However, the required work participation rate is adjusted downward if a state's TANF caseload declines.¹

This chapter presents an initial review of the work activity participation of adult FITAP recipients, based on administrative data covering the period October 1999 through September 2001. Participation in work activities is the principal means by which FIND Work participants prepare to enter the workforce. For many FITAP recipients, the transition to work is direct: they find a paid job while still receiving cash assistance and without participating in any other work activities. Others participate in job search and job readiness activities prior to finding work. These activities can include short classes on resume preparation, job interview techniques, and job search strategies, and life skills classes. To acquire specific job skills, some recipients participate in a training-related

¹ In federal fiscal year 2002, the required work participation rate for all families is 50 percent. For two-parent families, the required rate is 90 percent. Chapter 1 includes additional discussion of work activity participation requirements. At the time of this report, the U.S. Department of Health and

activity, such as a vocational education program or an employer-based on-the-job training program. Vocational education programs tend to be relatively short in duration, often lasting between three and six months, in order to comply with the federal requirement limiting countable participation in this activity to 12 months. These programs are targeted towards specific entry-level occupations, including office/clerical, child caregiver, certified nurse's assistant, and janitorial, and successful completion leads to a certificate credential.

Options for recipients with low levels of formal education and little previous work experience include participation in work experience programs or attendance in secondary school (if of school age) or GED preparation classes. A work experience activity is typically the equivalent of an unpaid internship with a public sector, nonprofit, or private employer and includes responsibilities that do not require much prior experience or skills.

In the following section, we review trends in the proportion of adult FITAP recipients who participate in work activities in a given month or are exempt from participation. We focus on adults in single-parent FITAP cases, who account for over 90 percent of adults in FITAP. In the final section of the chapter, we examine work activity participation patterns for specific subgroups of FITAP recipients, including by education level, age of parents' children, and location in high unemployment parishes and rural parishes.

Utilization of Work Activities in the FIND Work Program

Overall Participation Rates

During the period we examined, October 1999 to September 2001, between 35 and 40 percent of adult FITAP recipients participated in a work activity in any given month. Our count includes adults who participated in one or more activities for any number of hours; we do not exclude those who participated for less than the federally required 30 hours per week. Exhibit 4.1 reports work activity participation for adult FITAP recipients in October 1999 and September 2001. In October 1999, 35 percent of adults were participating in a work activity and in September 2001, 38 percent of adults were participating.

Human Services had not released 2001 work participation rates. The State has met the adjusted all

Exhibit 4.1
Participation and Nonparticipation in Work Activities
 Adult FITAP Recipients in Single-Parent Cases

	Percent of Adults in Single-Parent Cases	
	October 1999	September 2001
Participated in a work activity	35.0%	37.5%
Exempt from work activity participation	18.0%	23.3%
Required to participate but are granted a good cause reason for nonparticipation	8.4%	8.6%
Did not participate in a work activity, with no exemption or good cause	39.4%	31.3%
Total number of adults in single-parent cases	18,855	12,365

Source: BPA staff calculations based on DSS TANF files.

In addition to those enrolled in a work activity, some recipients are exempted from work activity participation. As noted in Chapter 1, the major reason adult recipients are exempted from participation is because they are providing care for a child under age one. As shown in Exhibit 4.1, in September 2001, 23 percent of adult recipients had received an exemption from work activity participation, an increase from the rate of exemptions given earlier. This increase corresponds to an increase in the percentage of single-parent case heads with very young children, as discussed in Chapter 3. A recipient can also be excused from participation in a work activity for good cause. Allowable good cause reasons include physical or mental incapacity, personal illness or injury, domestic violence, and difficulty in obtaining child care or transportation (see the discussion in Chapter 1). In September 2001, 9 percent of adult recipients had an allowable good cause reason for not participating in a work activity.

Finally, some adult recipients do not participate in a work activity during the month, but have not been given an exemption from participation or have a good cause reason for not participating. These recipients may be recent entrants to FITAP who are still undergoing assessment and have not been enrolled in an activity. Alternately, they may be waiting to start an activity that they have enrolled in. We will examine other possible reasons for

family and two parent rates in each year since the start of FITAP and FIND Work.



non-participation among this group of recipients as part of our evaluation field study. As indicated in Exhibit 4.1, in September 2001, 31 percent of adult recipients were not enrolled in a work activity and had no exemption or good cause reason for not participating.

Exhibit 4.2
Participation in Work Activities by Type of Activity
 Adult FITAP Recipients in Single-Parent Cases

	Number and Percent of Work Activity Participants			
	October 1999		September 2001	
Unsubsidized employment	4,408	66.7%	2,884	62.1%
Subsidized employment in private sector	10	0.2%	1	0.0%
Subsidized employment in public sector	20	0.3%	20	0.4%
Work experience	935	14.1%	826	17.8%
On-the-job training	23	0.3%	6	0.1%
Job search and job readiness	435	6.6%	275	5.9%
Vocational education	1,265	19.1%	977	21.0%
Education related to employment	31	0.5%	26	0.6%
School attendance / GED preparation	217	3.3%	201	4.3%
Total num. of work activity participants	6,609		4,642	

Source: BPA staff calculations based on DSS TANF files.

Note: Some adult recipients are engaged in more than one activity during a month. Therefore, the sum of participants in each activity will be greater than the total number of work activity participants.

Participation by Activity Type

Among those adult recipients who do participate in a work activity, unsubsidized employment is the predominant activity. For example, in September 2001, 62 percent of all work activity participants were engaged in paid employment, as reported in Exhibit 4.2. The next two most utilized activities were vocational education (21 percent of work activity participants in September 2001) and work experience (18 percent of participants). Six percent of recipients participated in job search and job readiness activities during September 2001, and 4 percent in secondary school attendance or GED

- preparation classes. Participation in other activities was negligible.

Some participants are engaged in more than one activity during a month. This is especially likely to be the case for participants enrolled in educational work activities, which include secondary school and GED preparation and education directly related to employment. For these participants to be counted as meeting the federal work participation requirement, only 10 hours per week in the education activity is countable; they must participate in another work activity for 20 hours to meet the hours requirement. Vocational education is not subject to this requirement. However, a participant can count hours in vocational education towards the work requirement for a maximum of 12 months. The countable hours limit in educational work activities underscores the importance of case management in the FIND Work program. Participants in these activities will usually need to be enrolled in another work activity at the same time, requiring that the case manager and participant do upfront planning to avoid scheduling and other coordination problems.

Policy makers and others in Louisiana have expressed concern over whether adult recipients with low education levels have adequate opportunities while on FITAP to acquire basic education that allows them to obtain a GED. As discussed in Chapter 3, about half of adults in FITAP have not graduated from high school or obtained a GED. The majority of those recipients with less than a high school education are adults age 20 and over.² Our analysis indicates, however, that the majority of participants in the secondary school attendance and GED preparation activity are teenagers who are likely to be in school. In September 2001, for example, 82 percent of participants in this activity were 19 years old or younger. This indicates that very few older recipients were accessing GED preparation activities. For example, less than one percent of adult recipients age 20 or over with less than a high school education participated in the secondary school attendance and GED preparation activity in September 2001.

Our findings also indicate that the participation in the secondary school attendance and GED preparation activity was relatively low even among teenagers who were head of household and had not completed high school or obtained a GED. For instance, in September 2001, only 15 percent of teenage heads of household with less than a high

² In September 2001, for example, 84 percent of recipients without a high school diploma or GED were age 20 or over.

school education were participating in the secondary school attendance or GED preparation work activities.³

We confirmed these findings by also examining recipients' participation in work activities at any time while on FITAP, for recipients who entered the program between October 1999 and September 2001. Among recipients with less than a high school education, 4 percent had participated in a school attendance/GED preparation activity at any time while on FITAP. For 15-19 year olds, 18 percent participated in this activity at some point during their FITAP spell, compared to only 1.5 percent of those 20 or older.

One important caveat holds for these findings. As will be discussed below, adult recipients with low education levels do participate in vocational education activities at a higher rate than in secondary school attendance/GED preparation. It is conceivable that they may be getting some basic education as part of their participation in vocational education. We are currently collecting more detailed information on the content of these activities and will include those findings in the final evaluation report.

Work Activity Participation for Specific Groups

For recipients to obtain maximum benefit from the FIND Work Program, they should be placed in work activities that are appropriate given their individual educational backgrounds, family circumstances, or labor market opportunities. In our Final Evaluation Report (to be issued in October 2002), we will use parish field study data to review the processes by which recipients are assessed and assigned to work activities. In this section, we focus on work activity participation patterns for specific subgroups of FITAP recipients. First, we focus on groups defined by characteristics that indicate the possible presence of employment barriers: recipients with low levels of schooling (i.e., those without a high school diploma or GED) and recipients with very young children (under age two). In addition, we examine groups defined by certain characteristics in the recipient's parish of residence: recipients who live in parishes with low unemployment rates and recipients who live in rural areas. In order to simplify the discussion, we use data for September 2001 only.

³ We confirmed these findings by also examining recipients' participation in work activities at any time while on FITAP, for recipients who entered the program between October 1999 and September 2001. Among recipients with less than a high school education, 4 percent had participated in a school attendance/GED preparation activity at any time while on FITAP. For heads of household under age 20, 18 percent participated in this activity at some point during their FITAP spell, compared to only 1.4 percent of 20-29 year olds.

Recipients without a High School Diploma or GED

Recipients without a high school diploma or GED may face problems in the labor market, not only because many stable, relatively well-paying jobs require a high school degree, but also because these recipients may not possess the basic skills necessary to find and maintain employment. While not dramatic, there are several notable differences in work activity participation patterns for recipients without a high school diploma or GED compared to those for recipients with more schooling. Exhibit 4.3 displays the participation rates in various work activities for recipients without a high school diploma or GED, and compares this to the distribution for recipients who do have a high school diploma or GED. Recipients without a high school diploma or GED participated in unsubsidized employment at a lower rate compared other recipients (21 percent vs. 26 percent). Recipients without a high school diploma or GED were also less likely than high school graduates to engage in vocational education and more likely than high school graduates to participate in secondary school attendance/GED preparation activities.

Exhibit 4.3

Work Activity Participation Rates by Level of Schooling

Adult FITAP Recipients in Single-Parent Cases, September 2001

	Does Not Have High School Diploma or GED	Has High School Diploma or GED
Unsubsidized employment	20.8%	25.8%
Work experience	6.7%	6.7%
Job search and job readiness	2.3%	2.1%
Vocational education	5.9%	9.9%
School attendance / GED preparation	2.9%	0.3%
Other work activities	0.1%	0.7%
Did not participate in a work activity	65.3%	59.6%
Total number of adults in single-parent cases	6,108	6,233

Source: BPA staff calculations based on DSS TANF files.

Note: The sample includes recipients whose years of schooling is not missing.

Percentages will not add up to 100% because some recipients participate in multiple activities.

These participation patterns illustrate another potential disadvantage recipients with low education confront while participating in FIND Work: they may not have minimum basic educational competencies required to participate in vocational education programs. As noted above, we will do a more thorough assessment of vocational education activities in our final report. While some of these programs may be able to accommodate recipients with low education levels and some may even include a remedial education component, our expectation is that many such programs will require that participants attain certain minimum educational achievement levels as a prerequisite for enrollment.

Recipients with Children under Age Two

Because exemptions from work activity participation are granted to parents of children under age one, recipients with children under age two were less likely than other recipients to participate in work activities. However, if we exclude exempt recipients when calculating work activity participation rates for recipients with children under age two, we find that recipients with children under age two were just as likely as other recipients to participate in most work activities.⁴

Exhibit 4.4 displays the work activity participation patterns for recipients with children under age two and for recipients without children under age two. In September 2001, 33 percent of recipients with children under age two participated in unsubsidized employment, compared with 30 percent of other recipients. This finding is surprising, as it indicates that recipients who have children under age two (and who were not exempt) were no more likely than other recipients to experience child-care-related employment barriers that would affect work activity participation. Our analysis also found that recipients with very young children were more likely to participate in school attendance than were other recipients. This is mainly due to the fact that recipients with very young children are, on average, younger than other recipients.

⁴ Some recipients with children under age 1 did participate in work activities.

Exhibit 4.4
Work Activity Participation Rates by Age of Children
 Adult FITAP Recipients in Single-Parent Cases, September 2001

	<u>Has a Child under Age 2</u>	<u>Does Not Have a Child under Age 2</u>
A. Adult Recipients Required to Participate in Work Activity		
Unsubsidized employment*	32.8 %	30.4 %
Work experience*	7.1 %	10.0 %
Job search and job readiness*	2.8 %	3.1 %
Vocational education*	12.4 %	9.6 %
School attendance / GED preparation*	3.7 %	1.2 %
Other work activities*	0.6 %	0.5 %
Total number required to participate in a work activity	3,399	5,756 **
B. All Adults Recipients in Single-Parent Cases		
Exempt from participation in work activity	45.5 %	0.4 %**
Not exempt, but did not participate in a work activity	25.3 %	51.5 %
Total number of adults in single-parent cases	6,239	5,781

Source: BPA staff calculations based on DSS TANF files.

Note: Percentages will not add up to 100% because some recipients participate in multiple activities.

* We only calculated these percentages for recipients who were required to participate in work activities. Therefore, recipients who were exempt were not included.

** We found 25 people in the data who were coded as exempt, but who did not have any children under age 2.

Recipients Residing in Low-Unemployment Parishes

Our analysis indicates that local unemployment rates do affect the percentage of recipients who find employment while on assistance. Exhibit 4.5 compares work activity participation in low-unemployment parishes with that in other parishes. We define a low-unemployment parish as one that had an average unemployment rate of 4 percent or lower between October 1999 and September 2001. Twenty-eight percent of recipients in low-unemployment parishes participated in unsubsidized employment, compared with 23 percent of recipients in other parishes. However, there was very little difference in the

unsubsidized employment participation rates between recipients residing in parishes with unemployment rates in the middle range (between 4 and 8 percent) and recipients residing the parishes with the highest unemployment rates (over 8 percent). This indicates that local unemployment rates do influence the percentage of recipients in unsubsidized employment, but that only a very favorable labor market can significantly affect the percentage of recipients who find employment while on FITAP.⁵

Exhibit 4.5
Work Activity Participation Rates by Level of Unemployment Rates
 Adult FITAP Recipients in Single-Parent Cases, September 2001

	Lives in Low Unemployment Rate Parish	Does Not Live in Low Unemployment Rate Parish
Unsubsidized employment	27.7%	23.0%
Work experience	8.6%	6.6%
Job search and job readiness	1.0%	2.3%
Vocational education	9.6%	7.8%
School attendance / GED preparation	3.6%	1.5%
Other work activities	0.5%	0.4%
Did not participate in a work activity	56.0%	62.9%
Total number of adults in single-parent cases	794	11,571

Source: BPA staff calculations based on DSS TANF files.

Note: We define a low unemployment area as one that had an average unemployment rate of 4% or below between October 1999 and September 2001. Percentages will not add up to 100% because some recipients participate in multiple activities.

Our analysis also found that recipients residing in low-unemployment parishes were more likely to participate in work activities as a whole. In addition to unsubsidized employment, residents of low-unemployment parishes were more likely than recipients in other parishes to participate in work experience, vocational education, and school attendance. Not surprisingly, recipients in low-unemployment parishes were less likely to participate in job search.

⁵ These results also may be influenced by parish-level policies and practices regarding the work activities in which recipients participate.

Recipients Residing in Rural Areas

Recipients who live in rural areas are potentially likely to have fewer employment opportunities and less opportunity to participate in educational and training-related work activities if there are fewer service providers available to offer those activities. In Exhibit 4.6, we compare the work activity participation patterns for recipients residing in rural parishes with those for recipients who live in urban parishes. We define a rural parish as one that is not in a federally designated metropolitan statistical area (MSA). In general, rural recipients were more likely to participate in work activities than were recipients who live in urban areas. Forty-four percent of recipients who live in a rural parish participated in work activities, compared with 35 percent of recipients residing in urban areas. We found no indication that recipients in rural parishes were less likely to obtain employment. In fact, in September 2001, more recipients in rural parishes participated in unsubsidized employment (26 percent) than did those in urban parishes (22 percent). At the same time, recipients in rural parishes also were much more likely to participate in work experience activities, indicating either a lack of other suitable work activities for those not job-ready or a higher proportion of disadvantaged recipients on rural parish caseloads. Differences in participation rates between the two groups for other activities, including vocational education, were not large. In general, rural recipients appear to have opportunities comparable to urban recipients to participate in a range of work activities.

Exhibit 4.6
Work Activity Participation Rates by Rural/Urban Areas
 Adult FITAP Recipients in Single-Parent Cases, September 2001

	Live in Rural Parish	Live in Urban Parish
Unsubsidized employment	25.9%	22.4%
Work experience	12.6%	4.4%
Job search and job readiness	1.5%	2.5%
Vocational education	7.3%	8.1%
School attendance / GED preparation	2.5%	1.3%
Other work activities	0.4%	0.4%
Did not participate in a work activity	55.8%	64.9%
Total number of adults in single-parent cases	3,373	8,992

Source: BPA staff calculations based on DSS TANF files.

Note: We define a rural area as one that is not an MSA. Percentages will not add up to 100% because some recipients participate in multiple activities.

Implications of Findings on Work Activity Participation

The FIND Work program has enrolled sufficient numbers of adult FITAP recipients in countable work activities to allow the state to meet federal work participation rate requirements. As has been the case for most other states, the most utilized work activity has been paid employment: many FIND Work participants are obtaining jobs while participating in the program. In addition, a relatively high proportion of FIND Work participants enroll in vocational education programs. While we do not have sufficient information at present to evaluate the quality and effectiveness of these programs, they have the potential to provide many participants with job-specific skills that can provide entry into career paths with opportunities for wage growth and promotion to higher-paying jobs over time.

Our analysis also suggests that a major challenge facing the FIND Work program is in providing suitable work activities for recipients with low levels of education and job experience. In particular, relatively few adults participate in basic education work activities, even though about half of adult recipients do not have a high school diploma or GED. Many of these adults are likely to have underlying issues beyond lack of formal education, such as a learning disability, that will need to be addressed in order to attain job readiness and self-sufficiency. Our final evaluation report will assess in more detail the opportunities afforded to recipients to address such challenges under FIND Work.

Chapter 5

Employment and Earnings of FITAP Leavers

Chapter Highlights

- Just less than half of adult FITAP recipients are employed in the quarter after they leave the program. Between the first quarter of 1997 and the first quarter of 2001, 48 percent of FITAP leavers, on average, were employed in the quarter after exit. Median quarterly earnings for employed FITAP leavers averaged \$1,712 during this period.
- A majority of FITAP leavers appear to be working less than full-time in the quarter following FITAP exit. Sixty-five percent of employed FITAP leavers earned less than the full-time minimum wage earnings level in the quarter following exit.
- Post-exit employment rates for FITAP leavers are comparable to those of TANF leavers in other states, though they are at the low end of the range. Median quarterly earnings for FITAP leavers are generally lower than those for TANF leavers in states reporting similar data.
- Employment rates and quarterly earnings are significantly higher for FITAP leavers with higher levels of education. Compared to leavers with less schooling, leavers with a high school diploma or GED have an employment rate that is more than 8 percentage points higher and median quarterly earnings that are more than \$400 higher.
- The post-exit employment rate for FITAP recipients who did not participate in a work activity for a good-cause reason is significantly lower than that of work activity participants. These lower employment rates indicate that many recipients who received good-cause reasons for nonparticipation continue to experience barriers to employment after program exit.

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Introduction

A fundamental assumption underlying the TANF program is that recipients can best achieve long-term self-sufficiency by entering employment as quickly as possible. Therefore, a key indicator of success for the Family Independence Work Program (FIND Work) is whether recipients are able to find and retain employment and earn a wage that promotes self-sufficiency after leaving cash assistance. In this chapter, we discuss the short-term employment outcomes for Family Independence Temporary Assistance Program (FITAP) leavers, including their employment rate and earnings in the quarter immediately following exit. These outcomes provide a useful baseline indication of FIND Work’s performance in helping recipients obtain employment. These measures do not, however, indicate whether recipients are able to sustain employment and realize wage progression over time. An analysis of longer-term employment and earnings outcomes for FITAP leavers will be presented in BPA’s Final Evaluation Report in October.

We utilize Unemployment Insurance (UI) wage records from the Louisiana Department of Labor to examine employment outcomes for FITAP leavers. These records are based on employers’ direct reports of employees’ total earnings in a quarter and are therefore considered to be the most accurate and complete administrative data available for tabulating employment outcomes for program participants.¹ Because UI records include only an amount for an employee’s quarterly earnings, it is not possible to determine month-to-month employment patterns, the number of hours worked in the quarter, or the hourly wage.

¹ Employment rates derived from UI wage records will likely understate the actual employment rate of FITAP recipients. Certain types of employers are exempt from coverage by the Unemployment Insurance System and therefore do not report wage information to the State. These include very small businesses, some agricultural employers, and federal agencies. In addition, UI wage records will not capture earnings information for those who are self-employed or are engaged in off-the-books employment. Employment information for former recipients who are employed out-of-state is also not available from Louisiana UI wage records.



Employment and Earnings Outcomes

Quarterly Employment Rates for FITAP Leavers

Exhibit 5.1 shows employment rates for leavers who exited FITAP between the first quarter of 1997 and the first quarter of 2001. We define someone as employed if he or she earned \$100 or more in a quarter. We include in this sample all FITAP leavers, including those who returned to the program in the quarter after exit.

In most quarters, employment rates for FITAP leavers ranged from 46 percent to 52 percent. However, in the first and second quarters of 1998, employment rates were relatively low at 38 percent and 41 percent. It is unclear why rates for these two quarters were so much lower than for other quarters. There were no significant changes in the statewide unemployment rate during those quarters. While leavers' employment rates during other quarters did fluctuate somewhat, this quarter-to-quarter variability generally followed movements in the total number of employed workers in the state and in the state unemployment rate.²

Unlike the employment rates reported by state and federal labor agencies, the employment rates presented in Exhibit 5.1 include recipients who may be out of the labor force either by choice or necessity. For a variety of reasons, not all women in the general population are active participants in the labor force at any given time. Accordingly, we would not expect that all FITAP leavers, who are predominantly single mothers, would be employed after leaving FITAP. Several recent studies examining employment patterns for single mothers and low-income single parents in the U.S. have found that employment rates for these groups were approximately 70 percent in 1999.³ If we assume that a 70 percent employment rate is the maximum obtainable employment rate for former FITAP recipients, then it will likely be some time before many former recipients reach levels of attachment to the labor market comparable to those of low-income parents generally.

² These numbers include employed individuals who were covered by the Unemployment Insurance System.

³ See Gary Burtless, "Can the Labor Market Absorb Three Million Welfare Recipients?" Brookings Institution, Washington, D.C., March 2000.

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Exhibit 5.1
Employment Rates in First Quarter Following FITAP Exit
 Adult Recipients Who Exited in First Quarter 1997 through First Quarter 2001

<u>Quarter of Exit</u>	<u>Employment Rate</u>	<u>Total Number of Leavers</u>	<u>State Unemployment Rates</u>
1997:1	46.6%	7,116	6.5%
1997:2	50.8%	17,957	6.3%
1997:3	49.6%	8,136	6.2%
1997:4	51.2%	8,137	5.5%
1998:1	38.2%	4,863	5.8%
1998:2	40.9%	6,319	5.9%
1998:3	51.6%	7,546	6.1%
1998:4	50.2%	8,548	5.1%
1999:1	51.7%	8,406	5.6%
1999:2	50.8%	7,892	4.9%
1999:3	46.0%	11,037	5.2%
1999:4	50.0%	6,710	4.6%
2000:1	48.2%	6,788	5.5%
2000:2	45.9%	5,897	5.3%
2000:3	50.1%	5,056	5.7%
2000:4	46.0%	5,545	5.7%
2001:1	48.8%	5,402	6.2%

Source: BPA staff calculations based on Louisiana DSS TANF Files and DOL Unemployment Insurance wage records.

Note: This sample includes all recipients who exited FITAP.

Quarterly Earnings for FITAP Leavers

Based on their quarterly earnings, most FITAP recipients appear to be working less than full-time in the quarter after exiting the program. Exhibit 5.2 displays the median quarterly earnings for FITAP leavers in the quarter following exit.⁴

⁴ Median quarterly earnings are calculated only for leavers who earned \$100 or more in a quarter.

Exhibit 5.2
Median Earnings in First Quarter Following FITAP Exit
 Adult Recipients who Exited in First Quarter 1998 through First Quarter 2001

Quarter of Exit	Median Quarterly Earnings	Total Number Employed
1997:1	\$1,763	2,775
1997:2	\$2,109	7,805
1997:3	\$2,021	3,442
1997:4	\$1,849	3,483
1998:1	\$1,520	1,858
1998:2	\$1,661	2,582
1998:3	\$1,986	3,894
1998:4	\$1,753	4,294
1999:1	\$1,784	4,343
1999:2	\$1,816	4,011
1999:3	\$1,741	5,073
1999:4	\$1,650	3,357
2000:1	\$1,633	3,269
2000:2	\$1,637	2,704
2000:3	\$1,781	2,531
2000:4	\$1,581	2,548
2001:1	\$1,651	2,636

Source: BPA staff calculations based on DSS TANF Files and DOL Unemployment Insurance wage records.

Note: This sample includes all leavers from FITAP who earned \$100 or more in the quarter following exit.

Since the start of FITAP, median quarterly earnings for leavers have stayed in a relatively narrow range of between \$1,600 and \$1,800. Quarterly earnings reached a low of \$1,520 in the first quarter of 1998 and a high of \$2,109 in the second quarter of 1997, and averaged \$1,712 over the period.⁵ These earnings levels are substantially lower than the level of quarterly earnings for someone employed full-time (35 hours per week) at

⁵ A comparatively large number of recipients (17,957) exited the program during the second quarter of 1997, and many of these leavers were recipients shifting from adult-headed cases to child-only cases. Therefore, median earnings during this quarter are not necessarily comparable to earnings in other quarters.

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- the minimum wage (\$2,253 in September 2001). In fact, 65 percent of FITAP leavers employed in the quarter after exit earned less than the quarterly full-time minimum wage earnings level, suggesting that a majority of FITAP leavers appear to be working less than full-time.⁶

Comparison with TANF Leaver Outcomes in Other States

The post-exit employment rates for FITAP leavers are somewhat lower than comparable employment rates reported by other states across the country. Exhibit 5.3 reports employment rates for TANF leavers in 15 states, all of which were calculated using UI wage records data. Louisiana, Florida, and New York show quarterly employment rates for their TANF leavers which are relatively low at 50-51 percent. Eight states report employment rates above 55% for their TANF leavers and three states report rates of 54 percent.

As shown in Exhibit 5.3, mean quarterly earnings for FITAP leavers in Louisiana are comparable to earnings reported for TANF leavers in other southern states (Arkansas and South Carolina) but lower than for states in other regions of the country.

⁶ To calculate the quarterly full-time minimum wage equivalent, we assumed that full-time employment is equal to 35 hours per week or 437.5 hours per quarter. In Louisiana, the minimum wage is the federal minimum wage, which was \$4.75 between January 1997 and August 1997, and \$5.15 between September 1997 and September 2001. Based on this approach, over half of leavers (56 percent) appear to be working less than 30 hours per week.

Exhibit 5.3
State Comparisons of Employment Rates for TANF Leavers

	<u>Exit Quarter</u>	<u>Employment Rate First Post Exit Quarter</u>	<u>Mean Earnings First Post Exit Quarter</u>
Louisiana	3Q98 - 2Q99	51%	\$1,956
Arkansas	3Q98 - 2Q99	54%	\$1,978
Arizona	1Q98	53%	\$2,211
Colorado	3Q98 - 2Q99	54%	\$2,540
District of Columbia	4Q97	62%	\$3,416
Florida	2Q97	50%	\$2,163
Georgia	1Q99	64%	\$2,185
Illinois	3Q97-4Q98	54%	\$2,663
Iowa	2Q99	57%	\$2,481
Massachusetts	Dec 98 - Mar 99	60%	\$2,834
Missouri	4Q96	58%	\$2,192
New York	1Q97	50%	\$3,393
South Carolina	Oct 98 - Mar 99	67%	\$1,941
Washington	4Q97	57%	\$2,678
Wisconsin	2Q98 - 4Q98	67%	\$2,272

Source: BPA staff calculations based on DSS TANF Files and DOL Unemployment Insurance wage records.

Note: This sample includes all leavers from FITAP who earned \$100 or more in the quarter following

Parish Employment and Earnings Outcomes

Among large parishes in Louisiana, significant variation exists in employment rates and median earnings for FITAP leavers. Exhibit 5.4 displays the post-exit employment rates and median quarterly earnings for the 10 parishes with the largest FITAP caseloads. These employment and earnings outcomes are averages for FITAP leavers who exited in the first quarter of 1998 through the first quarter of 2001. By our definition, all but 2

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(Iberia and Tangipahoa) of the 10 largest parishes are urban parishes.⁷ Employment rates ranged from 42 percent in Iberia parish to 53 percent in Caddo parish. Median quarterly earnings ranged from \$1,435 in East Baton Rouge parish to \$1,777 in Orleans parish.

It will not be possible for this evaluation to determine with any precision the extent to which these observed differences in employment and earnings outcomes for FITAP recipients in different parishes are attributable to differences in local economic and other environmental factors versus differences in parish office program operation. Based on our field visits to parish offices, we will attempt to identify any differences in parish program operations that we believe may be contributing to differences in outcomes of FITAP recipients.

Exhibit 5.4
Employment in First Quarter After FITAP Exit
By Ten Parishes with the Largest Caseloads
 Adult Recipients who Exited in First Quarter 1998 through First Quarter 2001

<u>Parish</u>	<u>Employment Rates</u>	<u>Median Quarterly Earnings</u>	<u>Number Employed</u>	<u>Number of Leavers</u>
Orleans	50.4%	\$1,777	4,094	8128
Jefferson	50.0%	\$1,710	1,036	2070
East Baton Rouge	50.1%	\$1,435	928	1853
Caddo	52.8%	\$1,677	900	1704
Ouachita	44.6%	\$1,496	404	906
Tangipahoa	48.5%	\$1,628	340	701
St. Landry	42.5%	\$1,579	344	809
Calcasieu	49.1%	\$1,622	347	707
Iberia	41.6%	\$1,506	295	709
Rapides	51.1%	\$1,718	387	758

Source: BPA staff calculations based on DSS TANF Files and DOL Unemployment Insurance wage records.

Note: The average single parent adult caseload in the first quarter of 2001 was used to determine the ten parishes with the largest caseloads.

⁷ As explained in Chapter 4, we define a parish as urban if it is part of a federally designated metropolitan statistical area (MSA).

Employment Outcomes for Recipient Subgroups

In this section, we examine the employment rates and quarterly earnings for subgroups of FITAP leavers who exited the program during 2000 and 2001. We define subgroups based on education level, age, FITAP spell length, unemployment rate in the parish of residence, and receipt of good-cause for non-participation in work activities. Analysis of subgroup employment and earnings outcomes allows us to identify particular recipient groups whose outcomes are significantly better or worse than those of FITAP leavers generally. However, this analysis is not meant to substitute for a more rigorous multivariate analysis, in which the effects of all recipient characteristics on employment outcomes can be jointly taken into account. Also, because this analysis is based on short-term outcomes only, it provides a limited view of how various recipient groups fare after program exit. A more detailed analysis in BPA's Final Evaluation Report will examine longer-term employment outcomes.

Education Level

Employment rates and median quarterly earnings for FITAP leavers with more education were significantly higher than those of leavers with less schooling. Exhibit 5.5 shows employment rates and median quarterly earnings for three groups of leavers: those who completed the 8th grade or less; those who completed 9th, 10th, or 11th grades; and those who obtained at least a high school diploma or GED. Leavers who did not complete schooling beyond the 8th grade had the lowest employment rate (34 percent) and the lowest quarterly earnings (\$1,191). By contrast, recipients with a high school diploma or GED had a much higher employment rate of 53 percent as well as quarterly earnings approaching \$1,900. While, in the absence of a full multivariate analysis, we cannot account for other covariates that may be influencing these outcomes, this finding is an early indication that education plays an important role in determining post-FITAP employment outcomes.

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Exhibit 5.5**Employment in First Quarter After FITAP Exit by Education Level**

Adult Recipients Who Exited in First Quarter 2000 through First Quarter 2001

	Employment Rates	Median Quarterly Earnings	Total Number of Leavers
Completed grades 1-8 Only	33.9%	\$1,191	1,678
Completed grades 9-11 Only	44.6%	\$1,472	11,685
High school diploma, GED or higher	53.1%	\$1,873	12,511

Source: BPA staff calculations based on DSS TANF Files and DOL Unemployment Insurance wage records.

Note: A person is regarded as employed if he/she earned \$100 or more in a quarter. Median earnings are only calculated for leavers who earned \$100 or more in a quarter. Recipients who were coded as having no formal education are not included in this table because of potential coding errors. This table includes leavers who may have returned to assistance and subsequently exited during the observation period. Therefore, the sample used in this table may include leavers who were counted more than once.

Age

The employment rates for older FITAP leavers are significantly lower than for younger leavers. Exhibit 5.6 displays the employment rates and median quarterly earnings for FITAP leavers by age group. For adults aged 20 or older, employment rates decline steadily as age increases. For example, while 51 percent of leavers aged 20 to 29 were employed in the quarter after exit, the employment rate for those in the 40 to 49 age groups falls to 37 percent, and to 20 percent for leavers aged 50 or over. This significant decline in employment rates for older FITAP leavers indicates that many older recipients may have serious barriers to employment that have kept them on assistance and out of the workforce for relatively long periods of time. Alternately, if they have received cash assistance for much of their adult life, their age combined with lack of work experience may make them less employable in the view of many employers.

The quarterly earnings of older FITAP leavers who find employment after exit are generally higher than those of younger leavers, as shown in Exhibit 5.6. There are two possible explanations for this. First, some older leavers who do become employed after leaving FITAP may be commanding an earnings premium relative to younger workers because they have more work experience. A second explanation may be that older

FITAP leavers are able to work more hours than younger leavers because their children are older. It is difficult to assess the relative importance of these two factors using UI wage records data, which reports only total quarterly earnings.

Exhibit 5.6

Employment in First Quarter After FITAP Exit by Age

Adult Recipients who Exited in First Quarter 2000 through First Quarter 2001

	Employment Rate	Median Quarterly Earnings	Total Number of Leavers
19 and younger	45.1%	\$1,124	2,362
20-29	51.2%	\$1,614	15,983
30-39	46.4%	\$1,876	7,060
40-49	37.3%	\$1,988	2,356
50+	19.8%	\$1,996	359

Source: BPA staff calculations based on DSS TANF Files and DOL Unemployment Insurance wage records.

Note: This table includes leavers who may have returned to assistance and subsequently exited during the observation period. Therefore, the sample used in this table may include leavers who were counted more than once.

FITAP Spell Length

Leavers with FITAP spell lengths of 25 months or longer were less likely than leavers with shorter spell lengths to be employed in the quarter after FITAP exit. Exhibit 5.7 displays the employment rates and median earnings for four groups: leavers whose FITAP spells lasted 1 to 6 months; leavers whose spells lasted 7 to 12 months; leavers whose spells lasted 13 to 24 months; and leavers whose spells lasted 25 or more months. Because longer episodes of cash assistance are generally associated with more extensive barriers to employment, it is not surprising that recipients whose spells lasted 25 months or longer had lower employment rates than other recipients. Median quarterly earnings for this group were also lower than earnings for other recipients. Surprisingly, leavers with very short FITAP spells lasting between 1 to 6 months also had lower employment rates and quarterly earnings than most of the other groups. We do not have a good explanation for this finding and will do further analysis of this group’s employment outcomes for the Final Evaluation Report.

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Exhibit 5.7**Employment in First Quarter After FITAP Exit by Spell Length**

Adult Recipients who Exited in the First Quarter 2000 through the First Quarter 2001

<u>Spell Length</u>	<u>Employment Rates</u>	<u>Median Quarterly Earnings</u>	<u>Number of Leavers</u>
1 – 6 months	45.3%	\$1,475	13,770
7 – 12	53.3%	\$1,846	7,005
13 – 24	51.4%	\$1,785	4,228
25 or more	42.4%	\$1,689	3,117

Source: BPA staff calculations based on DSS TANF Files and DOL Unemployment Insurance wage records.

Note: This table includes leavers who may have returned to assistance and subsequently exited during the observation period. Therefore, the sample used in this table may include leavers who were counted more than once.

Unemployment Rate in Parish of Residence

Our findings show that employment and earnings vary based on the level of unemployment in a leaver's parish of residence. However, it also appears that local labor market conditions have a smaller effect on post-FITAP employment outcomes than do individual characteristics. Exhibit 5.8 displays the employment rates and median quarterly earnings in the first quarter after FITAP exit for three groups: leavers in whose parish of residence the unemployment rate was (1) below 5 percent, (2) between 5 and 5.99 percent, and (3) 6 percent and higher. (In the analysis that follows, these groups are referred to as the lowest-parish-unemployment group, the middle-parish-unemployment group, and the highest-parish-unemployment group, respectively.) To generate the unemployment rate groups in this exhibit, we calculated the average unemployment rates for each parish between January 2000 and June 2001. A large proportion of parishes with unemployment rates in the middle range were in urban areas, while a very large percentage of parishes with unemployment rates in the highest range were in rural areas.

The employment rate for FITAP leavers in the quarter after exit was lowest for the highest-parish-unemployment group. However, the 43 percent post-exit employment rate for this group was not significantly lower than the employment rates in the other groups: 49 percent in the lowest-parish-unemployment group and 50 percent in the middle-parish-unemployment group. In addition, median earnings did not vary substantially by

parish-unemployment group. Because variation in employment and earnings across parish-unemployment groups were far less pronounced than variations across education or age groups, it appears that employment outcomes are influenced far less by local economic conditions than by a recipient's individual characteristics.

Exhibit 5.8
Employment in First Quarter after FITAP Exit
By County of Residence Unemployment Rate
 Adult Recipients Who Exited in First Quarter 2000 through First Quarter 2001

Parish of Residence Unemployment Rate	Employment Rate	Median Quarterly Earnings	Total Number of Leavers
0-4.99 %	49.2%	\$1,568	7,163
5-5.99 %	49.8%	\$1,715	13,242
6 % or higher	43.4%	\$1,645	7,715

Source: BPA staff calculations based on DSS TANF Files and DOL Unemployment Insurance wage records.

Note: This table includes leavers who may have returned to assistance and subsequently exited during the observation period. Therefore, the sample used in this table may include leavers who were counted more than once.

Overall, employment rates and median quarterly earnings were highest in the middle-parish-unemployment group. Higher quarterly earnings appear related to that fact that a large percentage (65 percent) of the parishes in the middle unemployment rate range are in urban areas, where earnings tend to be higher.

Receipt of Good Cause for Non-participation in Work Activities

Exhibit 5.9 shows the employment rates and median quarterly earnings for recipients who received good-cause reasons for work activity nonparticipation prior to FITAP exit. Employment outcomes for this group are of particular interest, as these recipients had significant employment barriers that prevented them from participating in work activities. Good-cause reasons include: physical or mental incapacity, domestic violence, participation in a drug testing program, and difficulty in finding child care or transportation.

Exhibit 5.9**Employment in First Quarter after FITAP Exit****Leavers Who Received Good Cause Reason vs. Who Did Not.**

Adult Recipients who Exited in First Quarter of 2000 through First Quarter of 2001

	Employment Rate	Median Quarterly Earnings	Total Number of Leavers
Recipients who Received A Good Cause Reason	28.1%	\$1,529	1,482
Recipients who did not Receive a Good Cause Reason	49.0%	\$1,658	26,638

Source: BPA staff calculations based on DSS TANF Files and DOL Unemployment Insurance wage records.

Note: In defining who did or did not receive a good cause reason prior to FITAP exit, we looked at whether the recipient received a good cause reason in the month before FITAP exit.

Employment rates of FITAP leavers who received good cause in the month before exit were significantly lower than those of other FITAP leavers. Only 28 percent of leavers who received good cause were employed in the quarter after exit, compared with 49 percent of other leavers. This indicates that leavers who did not participate in a work activity for good cause prior to FITAP exit may have exited prior to receipt of adequate work preparation and case management services. Quarterly earnings for leavers who received good cause were also lower than the earnings for other leavers.

Implications of Findings on Employment and Earnings Outcomes

Although the employment rates of adults leaving FITAP and FIND Work are somewhat lower than those reported for TANF leavers in other states, approximately half of those leaving FITAP are employed during the quarter after they leave cash assistance. Our analysis of the earnings levels of these former recipients suggests that a majority of those who are employed are working less than 30 hours per week, implying that they still confront challenges as they begin the transition from welfare to work. These challenges are likely to include arranging adequate child care assistance and transportation as well

as individual barriers such as physical or mental health issues, lack of job skills and work experience, and low education levels. Our initial analysis of employment outcomes confirms that these issues do have an impact on former recipients' ability to obtain employment. For example, employment rates and earnings levels for recipients who lack a high school diploma or GED are significantly lower than for those who have completed high school. Similarly recipients who did not participate in work activities while on FITAP for good cause because of a barrier were employed at lower rates than other recipients after leaving the program.

These findings suggest that program staff should pay particular attention during assessment and case management to FITAP recipients with low levels of education or other barriers that restrict their participation in work activities. These recipient attributes appear to have important effects on their employment outcomes and their ability to achieve self-sufficiency. As we continue our evaluation of FITAP and FIND Work, we will examine the extent to which these individuals are able to receive services while on cash assistance which help them address these barriers.

Appendix

Louisiana Evaluation Design and Scope of Work

Berkeley Policy Associates (BPA), a social policy research and consulting firm in Oakland, California, is conducting an evaluation of TANF programs in Louisiana. The State Division of Administration contracted with BPA in December 2001 after a competitive request for proposal process. BPA was chosen based on its experience in conducting state TANF evaluations and its proposed evaluation design. Researchers from Louisiana State University (LSU) are working with BPA under subcontract. A final report from the evaluation will be issued in October 2002.

Evaluation Design

BPA's evaluation of Louisiana's TANF programs includes the following four components:

1. Caseload Trends and Expenditures Study
2. FITAP/FIND Work Implementation Study
3. Employment Outcomes Study
4. TANF Initiatives Implementation Study

This section describes these four studies and outlines the data collection activities that will form the basis of BPA's evaluation. Exhibit A.1 summarizes the research measures and data sources that will be utilized for each evaluation component.

Caseload Trends and Expenditures Study

BPA is analyzing changes over time in key FITAP caseload indicators as part of the Caseload Trends and Expenditures Study. These indicators include: the length of time recipients remain on FITAP; the rate of return to FITAP by former recipients; and demographic characteristics of recipients, including age, education level, and family composition. Tracking these indicators over time will allow us to assess whether recipients remaining on FITAP are those who are more disadvantaged and who face greater barriers to achieving self-sufficiency. The Caseload Trends and Expenditures Study is also assessing work activity participation patterns

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- in the FIND Work Program and recipients' access to various supportive services offered by FITAP and FIND Work.

FITAP/FIND Work Implementation Study

The FITAP/FIND Work Implementation Study is examining the effectiveness of policies and procedures put in place in parish field offices as well as the consistency in the administration of these policies across the field offices. The FITAP/FIND Work Implementation Study also is identifying challenges that remain for the State's TANF programs from the perspectives of various program stakeholders, including state- and parish-level program administrators, case managers, service providers, advocacy organizations, and program recipients.

Employment Outcomes Study

The Employment Outcomes Study is analyzing the employment and earnings outcomes of FITAP recipients, both while they receive cash assistance and after they leave FITAP. Employment and earnings outcomes are key indicators of the extent to which FITAP recipients are moving to self-sufficiency, a principal goal of TANF. The Employment Outcomes Study is tracking FITAP participants' employment rates, earnings levels, earnings growth, job retention, and industry of employment. The study also is examining the employment outcomes for recipients who left FITAP due to sanctions or time limits, and is identifying any variations in employment outcomes by demographic and regional subgroups.

TANF Initiatives Implementation Study

The TANF Initiatives Implementation Study is assessing implementation and effectiveness of four programs financed with TANF block grant funds and operated by agencies other than DSS. These programs include: (1) Customized Basic/Technical Skills Training for Low-Income Louisiana Parents, administered by the Workforce Commission and the Louisiana Community and Technical College System; (2) After-School Tutorial Programs, administered by the Department of Education; (3) Domestic Violence Services, administered by the Office of Women's Services; and (4) Substance Abuse Prevention and Treatment Program, administered by the Office of Addictive Disorders. The study is focusing on the extent to which these programs have achieved goals and objectives set forth in their implementation plans. We will identify outstanding issues related to the performance and implementation of these programs.

Data Collection Activities

BPA's evaluation of Louisiana's TANF programs draws on two principal sources of data: (1) interviews and focus groups with program stakeholders, and (2) administrative data, including records from the FITAP and FIND Work programs and wage records from the Department of Labor Unemployment Insurance (UI) System.

On-site interviews of program staff, focus groups of recipients, and observation of program activities form a major part of the evaluation's information-gathering process. In March 2002, BPA staff conducted in-person interviews with state DSS program staff in Baton Rouge. Interviews were conducted with the following DSS officials:

- Deputy Assistant Secretary, Office of Family Support (OFS),
- Director, Division of Quality Assurance, OFS,
- Director, Division of Field Operations, OFS,
- Deputy Director, Office of Information Services,
- Director, Contract Accountability Review Team, Division of Quality Assurance, OFS,
- Manager, Budget and Business Services, OFS,
- Director, Program Review and Evaluation Section, Division of Quality Assurance, OFS,
- Training and Development Program Manager, Training Section, Division of Quality Assurance, OFS,
- Assistant Director, FIND Work Program, OFS,
- Assistant Director, Financial Assistance, OFS.

In addition, BPA and LSU staff are conducting two-day site visits to a sample of DSS field offices in 11 parishes across the state during April, May, and June 2002. The evaluation team used several criteria to select sample parishes. Five parishes were selected because of their large caseloads and prominence in the state. We also included several parishes that have small caseloads and are located in predominantly rural areas. Finally, we included parishes with a range of economic conditions, including those with both high and low unemployment rates and poverty rates. To ensure regional diversity, we included at least one parish from each of the eight DSS regions in the state. The parishes selected for site visits are: Caddo, Calcasieu, Concordia, East Baton Rouge, Jefferson, Lafayette, Lincoln, Ouachita, Orleans, Rapides, and St. Mary.

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The evaluation is utilizing two types of administrative data: program records that detail recipient participation in FITAP and FIND Work, and wage records from the Department of Labor's UI System, which measure recipients' employment and earnings outcomes. The DSS Office of Information Services has provided BPA with their federal TANF data file, which contains case and individual records for FITAP and FIND Work recipients going back to the start of the program in 1997. This data file is constructed from the two program administrative databases for the FITAP and FIND Work programs, L'AMI and JAS, and will allow us to measure how long recipients stay on FITAP and their work activity participation while in FIND Work. UI wage records provide information on a recipient's total quarterly earnings from a particular employer. UI wage records are available for all individuals who work for employers that participate in the State's UI System.

Exhibit A.1 Data Sources and Research Measures for Louisiana TANF Evaluation Components		
Component	Data Sources	Research Measures
Caseload Trends and Expenditures Study	<ul style="list-style-type: none"> • DSS FITAP Administrative Records • DSS FIND Work Administrative Records • TANF ACF-196 Forms & DSS Expenditure Reports 	<ul style="list-style-type: none"> • Caseload Size and Characteristics • Program Exit Rate • Recidivism Rate • Number and Rate of Sanctions • Number of Cases Reaching Time Limits • Percent of Long-Term Recipients • Participation in FIND Work activities • FITAP Expenditures by Type of Assistance
FITAP/FINDWORK Implementation Study	<p>Interviews with:</p> <ul style="list-style-type: none"> • DSS Administrators • Parish Managers and FITAP / FIND Work Program Staff • Contracted Service Providers • Community-Based Organizations 	<ul style="list-style-type: none"> • Recipient Assessment Process • Assignment to Education, Training, and Work Activities • Sanction Process • Impact of Time Limits • Use of Outside Service Providers • Diversion, Exemption, Extension Practices • Post-program Supports • Local Office Needs
Employment Outcomes Study	<ul style="list-style-type: none"> • State Unemployment Insurance Records • DSS FITAP Administrative Records 	<ul style="list-style-type: none"> • Employment Rate • Job Retention • Quarterly & Annual Earnings Levels • Quarterly & Annual Earnings Growth • Poverty Rate • Industry of Employment • Relationship between FIND Work Services and Employment Outcomes
TANF Initiatives Implementation Study	<p>Interviews with:</p> <ul style="list-style-type: none"> • Other State Agency Administrators overseeing TANF Spending Initiatives Programs • Front-Line Personnel and Managers of Programs 	<ul style="list-style-type: none"> • Availability and Utilization of Services • Outreach Activities • Use of Outside Service Contractors • Program Expenditures • Implementation Challenges