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Synthesis Report

Preparing Nebraska's Welfare Clients for Work and Addressing their Obstacles

Final

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EXECUTIVE SUMMARY

Welfare policies and programs are designed to help low-income parents exit welfare, secure and retain jobs, and sustain their families. Nebraska's welfare reform program, Employment First, was implemented statewide in 1997. It seeks to provide welfare recipients with employment-related opportunities and supportive services that will help them develop personal and vocational skills, address obstacles, and transition to employment within a two-year period. Given welfare work requirements and time limits, there is widespread concern, nationwide and in Nebraska, that many welfare clients face significant obstacles to employment and may need more intensive support to find and maintain a job and become economically independent.

To understand how clients are faring under welfare reform and determine what policy and program improvements are needed, the Nebraska Health and Human Services System (HHSS), with funding from the Administration for Children and Families of the U.S. Department of Health and Human Services, contracted with Mathematica Policy Research, Inc. (MPR) to conduct an evaluation of Employment First, Nebraska's Temporary Assistance for Needy Families (TANF) program. Through a one-year follow-up survey of clients, the evaluation provided a descriptive profile of the employment experiences and obstacles of a representative sample of Nebraska's TANF clients. In addition, through a qualitative study of program implementation, the evaluation assessed how well Employment First was operating and what improvements were needed to address clients' obstacles and increase their employability. The evaluation also differentiated clients' employment obstacles and related service delivery issues in rural and urban areas. It was not designed to examine the impacts of Employment First, nor to assess changes in the composition of Nebraska's welfare caseload over time. Rather, it was intended to provide a descriptive snapshot of the caseload and to identify ongoing program challenges and priorities.

This report synthesizes the evaluation's quantitative and qualitative findings. The client study surveyed single mothers with children who received TANF in January 2000. It collected detailed information on their short-term employment experiences, obstacles, program participation and service use, and quality of life. The survey used well-tested batteries of questions to measure the prevalence of specific barriers such as mental health problems, learning disabilities, alcohol and drug abuse, and domestic violence. In all, 412 clients were interviewed (200 urban and 212 rural), for an overall response rate of 75 percent. The in-depth qualitative study of program implementation was based primarily on two rounds of site visits to four communities in Nebraska, two urban and two rural.

KEY FINDINGS

Clients' Obstacles and Employment Experiences

Many welfare clients in Nebraska face serious and multiple obstacles. Low skills, mental health problems, difficulties with child care, and having to care for a child with special needs or for an elderly, sick, or disabled person were the most common challenges—each affected about one-third of clients. Smaller but still significant fractions also faced transportation

problems or had serious personal needs, such as alcohol or drug problems, physical domestic abuse, learning disabilities, and physical health issues. Moreover, over three in five clients faced at least one serious personal or family obstacle, and nearly one in four had low skills in addition to at least one serious personal or family obstacle.

Obstacles impede many clients' progress toward work and economic independence. By the end of the one-year period covered by the survey, over one-third of clients had left welfare for work. Still, over half remained on TANF, many facing serious personal, skill, and logistical obstacles. Nevertheless, about half of those who remained on TANF combined welfare with work, a higher fraction than in most states. Working allowed many former TANF clients and their families to escape poverty; still, one-half of those off TANF and working lived below the federal poverty level, as did two-thirds of all clients and their families. Overall, clients with at least one obstacle were significantly less likely to work and leave welfare compared with clients without obstacles. In particular, clients who remained on TANF and were not working a year later faced more obstacles than other clients did.

Service Delivery Issues and Challenges

Nebraska's Employment First program is an evolving welfare system. Given the serious obstacles that clients face, the individualized program approach is appropriate. Moreover, program participation and service use are relatively high in Nebraska compared with many other states. Nevertheless, important challenges still remain to address clients' needs and improve their employability.

Many TANF clients participate in the Employment First program and receive basic supportive services. Over 7 in 10 clients reported signing a Self-Sufficiency Contract. Moreover, close to 6 in 10 reported participating in a work-related activity during a one-year period and close to 6 in 10 reported, at the end of the survey's one-year follow-up period, that they were spending at least 20 hours a week working or participating. Compared with other states, higher fractions of Nebraska's clients participated in education and training (about one in five); had health insurance (over four in five); and received a child care subsidy (close to three in five working or participating clients).

Despite steady program improvements, case managers continue to face service delivery challenges that make it hard for them to address the special needs of many hard-to-employ clients. Case managers' jobs are very demanding: the intensity of services that many clients need to prepare for, secure, and maintain employment requires substantial time and effort on the part of case managers. The challenge of addressing clients' needs and preparing them for work is exacerbated by limitations in the skills and knowledge of some case managers. Many case managers struggle to identify and address clients' personal and family challenges, and many have inadequate knowledge of community resources and how to help clients access them. Overall, only the most skilled and experienced case managers are able to deliver appropriately intensive and individualized services to their clients.

Largely as a result of these service delivery challenges, substantial fractions of clients with serious obstacles did not receive services to help address their needs and improve their prospects for employment and economic independence. The great majority of clients who were still on TANF and not working a year later did not participate in employment activities such as job readiness training, work experience, and on-the-job training, activities often appropriate for hard-to-employ clients. Moreover, about 6 in 10 clients with a mental health,

substance abuse, or domestic violence problem and 7 in 10 with transportation difficulties did not receive services or assistance to address their needs. To Nebraska's credit, program staff have accomplished much in offering clients a range of opportunities and services, typically by drawing on various contractors and community organizations as partners. Still, weaknesses in service delivery persist, important resources in many communities remain untapped, and many needy clients do not receive services to help address their barriers and improve their prospects for employment and economic independence.

Rural Versus Urban Differences

Though they faced comparable barriers, rural clients were less welfare dependent than their urban counterparts. Although urban clients had access to more opportunities and services, they were less likely to work, participate in the Employment First program, or receive benefits and services, such as the Earned Income Tax Credit (EITC) and mental health and substance abuse treatment. In contrast, rural clients were less dependent on TANF and, consistent with other studies, more likely to work. They were also more likely to participate in education, training, and other activities and were in more frequent contact with program staff. Nevertheless, partly because of the weaker economic base in rural areas, rural clients were also much less likely than urban ones to find good-paying jobs with benefits and a little more likely to remain in poverty.

Why are rural clients more likely than their urban counterparts to participate in Employment First, receive services, and work, despite having access to fewer opportunities and services? First, since rural populations are smaller, closer knit, and less transient than urban ones, staff likely have stronger personal connections with clients and service providers, which helps them obtain services for clients. This social fabric may also facilitate a stronger work ethic among rural clients by making them feel more accountable to community norms that support work. Second, rural service delivery systems are smaller and less complex, which reduces challenges in cross-organization collaboration and makes it easier for staff to develop strong partnerships, maximize available resources, and connect clients with needed services. Third, rural case managers are generally more experienced than their urban counterparts, which promotes better services and support for clients. Fourth, rural case managers have somewhat smaller caseloads, which likely allows them to get to know clients better and provide individualized services and support.

PROGRAM AND POLICY RECOMMENDATIONS

Employment First program staff have implemented important strategies to address welfare clients' needs and prepare them for work. Still, the evaluation's findings suggest a variety of additional action steps, highlighted below, to help more clients in both rural and urban areas get and keep jobs and progress toward economic independence. While much of the responsibility for improving the program rests with local HHSS offices, the central and regional offices can play critical leadership roles in facilitating local-level improvements.

- **Improve workload management to provide more consistent, timely, and individualized service delivery.**

Intensive services are required to help many hard-to-employ clients prepare for, secure, and maintain employment. The heavy workloads of TANF case managers and their supervisors jeopardize the quality, consistency, and efficiency of Employment First service delivery. Case managers are expected not only to perform a wide range of administrative tasks related to client eligibility and benefit authorization, but also to deliver individualized case management services to 80 or more clients. Heavy workloads limit case managers' ability to complete their work in a timely way, and limitations in case managers' skills and knowledge leads to inconsistency in the services delivered to clients.

Finding new and innovative ways to improve the ability of case managers to handle their workloads will improve the timeliness, consistency, and individualized nature of service delivery. Building on current efforts (without expanding staff resources), local staff might consider one or more of the following types of strategies: delivering more services in group settings (such as initial client orientation and assessment); transferring child care eligibility functions to specialized workers; and improving workload allocation, for example, by assigning the most difficult cases to the most capable workers. At the state level, administrators might reduce food stamp reporting requirements and expand the capabilities of N-FOCUS to provide basic reports of caseload data.

- **Cultivate community partnerships.**

Serving welfare clients effectively and promoting their employment requires well-established community partnerships. Throughout Nebraska, local HHSS offices collaborate with a broad range of organizations. However, strong partnerships with providers that can meet clients' specialized employment and personal needs are limited in many communities.

To strengthen partnerships and foster an environment where welfare reform is viewed as a community responsibility, HHSS might consider one or more of several strategies: organizing local "employment collaboratives" to facilitate well-coordinated and efficient cross-agency service delivery efforts; colocating counselors from mental health, substance abuse, and domestic violence organizations in local HHSS offices; and developing cross-agency initiatives with supported work providers, such as Vocational Rehabilitation.

- **Better address personal and family barriers related to mental health, substance abuse, domestic violence, and learning disabilities.**

Many Nebraskan welfare clients face personal barriers such as mental health problems, substance abuse, domestic violence, and learning disabilities. These can be very difficult to identify. Addressing these barriers is also challenging because specialized services, intensive individualized assistance, and, in some cases, workplace supports may be needed to help clients successfully transition to work. Since these barriers may prevent clients from participating in work activities, finding or keeping a job, or exiting TANF, strategies to address them should be improved.

Building on what has already been done, HHSS might consider several strategies: colocating specialized counselors in local welfare offices; creating local resource and referral guides to help staff better access services for clients; and improving staff training and technical assistance, for example, by educating staff about policies and procedures that permit them to include client participation in mental health and substance abuse treatment as allowable work activities. Although these strategies are relevant for both rural and urban

areas, they may demand greater attention in the urban areas, where a greater fraction of clients are long-term TANF recipients and where fewer clients with serious personal and family barriers receive services to address their needs.

- **Help more hard-to-employ clients take advantage of employment-related opportunities such as job readiness and life skills training, work experience, on-the-job training, and supported work.**

Many clients with obstacles remain on welfare and neither work nor participate in employment activities that could help them develop basic vocational and life skills. HHSS might help several groups of at-risk TANF clients make better use of employment activities and services. These overlapping groups include (1) long-term recipients who have received TANF for an extended period (for example, 12 to 24 months or longer); (2) clients without a high school credential or an adequate work history; and (3) clients with chronic personal needs related to mental health, substance abuse, learning disabilities, and domestic violence. Many of these clients might benefit from specialized skill-building activities—such as GED preparation, job readiness training, work experience, and supported work—in combination, as necessary, with supportive services and assistance that directly address personal and family challenges. These clients may also benefit from specialized life skills programs, such as the Building Nebraska Families program.

To help more hard-to-employ clients prepare for work and economic independence, HHSS might require more of them to participate in intensive job readiness and life skills training. They might also connect more of these clients to work experience and on-the-job training positions. More generally, staff might work with partners such as Vocational Rehabilitation and Goodwill Industries to add supported work services to the menu of available employment activities.

- **Enhance transitional support to promote job retention and advancement.**

Many of Nebraska's TANF clients find low-paying, entry-level jobs. Low wages, combined with the costs of working, can make it difficult for many clients to maintain employment. In addition, clients who find work must adjust to workplace requirements and make reliable child care and transportation arrangements. Some must also deal with health problems—their own or a family member's—that may make it difficult for them to work at all. These factors can all compound to make the transition from welfare to work difficult.

Stronger transitional employment support may help clients cope with work-related challenges and develop skills and experience to advance in the labor market over time. This support may involve offering job mentoring, coaching, and career counseling. It may also involve expanding contractors' performance incentives to promote longer-term job retention and advancement. Moreover, to help improve working clients' income, HHSS might better promote awareness and use of the EITC and its advanced pay option. Finally, to ensure that clients' needs for logistical support are met, staff might help more clients take advantage of available child care subsidies and transportation assistance. Importantly, they might also find ways to expand the availability of child care during nonstandard hours and to develop more transportation options, such as public van services in rural areas, extended public busing services in urban areas, and low-interest car loans in both rural and urban areas.

CHAPTER I

INTRODUCTION

Employment First, Nebraska's welfare reform program, was implemented statewide in 1997. Employment First seeks to provide welfare recipients with employment-related opportunities and supportive services to help them develop personal and vocational skills, address challenges, and transition to employment within a two-year period. Through an assessment process based on clients' individual circumstances, case managers and clients jointly develop a plan and a sequence of activities to help clients achieve employment and economic independence. Phased in during a time of strong economic expansion, Nebraska's welfare reform has been associated with a drop in the welfare rolls and a commensurate increase in employment.

In an environment of time-limited welfare, it is important to understand the employability and needs of clients who still receive welfare. Nationwide and in Nebraska, there is widespread concern that many welfare clients face significant obstacles to employment and may need more intensive support to find and maintain a job and become economically independent. Hence, it is important to identify the prevalence of specific obstacles that clients face, and to assess what program improvements are needed to increase clients' employability and to target services and resources more effectively.

In response, the Nebraska Health and Human Services System (HHSS) contracted with Mathematica Policy Research, Inc. (MPR) to conduct an evaluation of Nebraska's Employment First program. Through a one-time survey of clients, this evaluation provided a descriptive profile of the short-term employment experiences and obstacles of a representative sample of Nebraska's welfare clients, both statewide and in the urban and rural areas. In addition, through a qualitative study of program implementation, the evaluation assessed how well the Employment First program was operating and what program improvements were needed to help clients' overcome their obstacles and progress toward employment and economic independence. Three key sets of questions were addressed:

1. ***What are the employment obstacles and experiences of welfare clients in Nebraska?*** What obstacles to employment do welfare clients face? What are their employment experiences? How are clients' obstacles related to their employment experiences?

2. ***How does the Employment First program prepare clients for work and address their employment obstacles?*** What program strategies and service delivery approaches are used? To what extent do clients participate in program activities and receive supportive services? What implementation and service delivery challenges does the program face?

3. ***In what ways can Nebraska improve its welfare program?*** How can Nebraska's welfare offices improve clients' employability, target services more effectively to address obstacles, and support clients in their transition to economic independence? What program changes are needed to improve the timeliness, efficiency, and consistency of service delivery?

An additional evaluation objective involved assessing rural and urban differences in client experiences and program implementation issues. Though the nation's rural areas have shared in the benefits of economic prosperity, poverty continues to be more prevalent and persistent in the nation's rural areas than in nonrural areas, with unemployment and underemployment rates generally higher and average earnings lower (Weber and Duncan 2001). The lower population densities and greater geographic dispersion that characterize rural areas often result in severe transportation problems and limited employment options. Moreover, key services—such as education, training, child care, and other critical support services—are often difficult to access.

Few studies have compared employment experiences and barriers among rural and urban welfare recipients. Similarly, little is known about the different issues that rural and urban service providers face as they address clients' barriers. This evaluation aimed to address these research gaps by comprehensively examining welfare clients' barriers in rural and urban areas of Nebraska, and by blending quantitative and qualitative analyses to differentiate clients' barriers and related service delivery issues in rural and urban areas. Through this final report, the evaluation identifies important policy and program issues and makes recommendations for how Nebraska can improve its welfare program so that it better meets the needs of its clients.

In this introductory chapter, we profile Nebraska's Employment First welfare program, describe MPR's evaluation of it, and highlight important characteristics of Nebraska's welfare caseload and the local communities that are included in the process study.

WELFARE REFORM IN NEBRASKA

Federal welfare reform legislated through the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 ended cash welfare as an entitlement and replaced it with block grants to states to create work-oriented programs for low-income families. The Temporary Assistance for Needy Families (TANF) program that PRWORA created made moving people from welfare to work a primary goal of federal welfare policy, with the receipt of public assistance temporary, conditional on working or preparing for work, and subject to time limits.

Nebraska's reshaping of its welfare system had begun before PRWORA. The Employment First program was developed in 1993 from Nebraska's Task Force on Welfare Reform. Employment First was then implemented in five counties across the state in 1995

after federal waivers authorizing the demonstration program were granted. Modifications were made to the original demonstration program, and statewide implementation of Employment First began in July 1997, hastened by PRWORA.

Instead of emphasizing immediate entry into the labor market for all TANF clients, as many states do, Nebraska's Employment First program uses a flexible human capital investment model of service delivery. Program staff assess clients' interests and needs and connect them with an individualized mix of employment-related opportunities and supportive services. While most clients engage in job search, other educational and skill-building activities are also available to help clients prepare for employment. A conceptual framework illustrates the ways in which the program components are intended to help clients improve their skills, address barriers, attain employment, and achieve economic independence (Figure I.1). That clients participate in program activities and assume personal responsibility for becoming economically independent is central to the program.

Five key features characterize a common Employment First program model used statewide:

1. ***Individualized case management,*** including a structured, strength-based client assessment, the development of a self-sufficiency plan, and referrals to employment-related activities and specialized services. To provide intensive and individualized support, case managers carry smaller caseloads than in many states, typically ranging from 75 to 90 cases in locations where case managers only work with TANF clients.

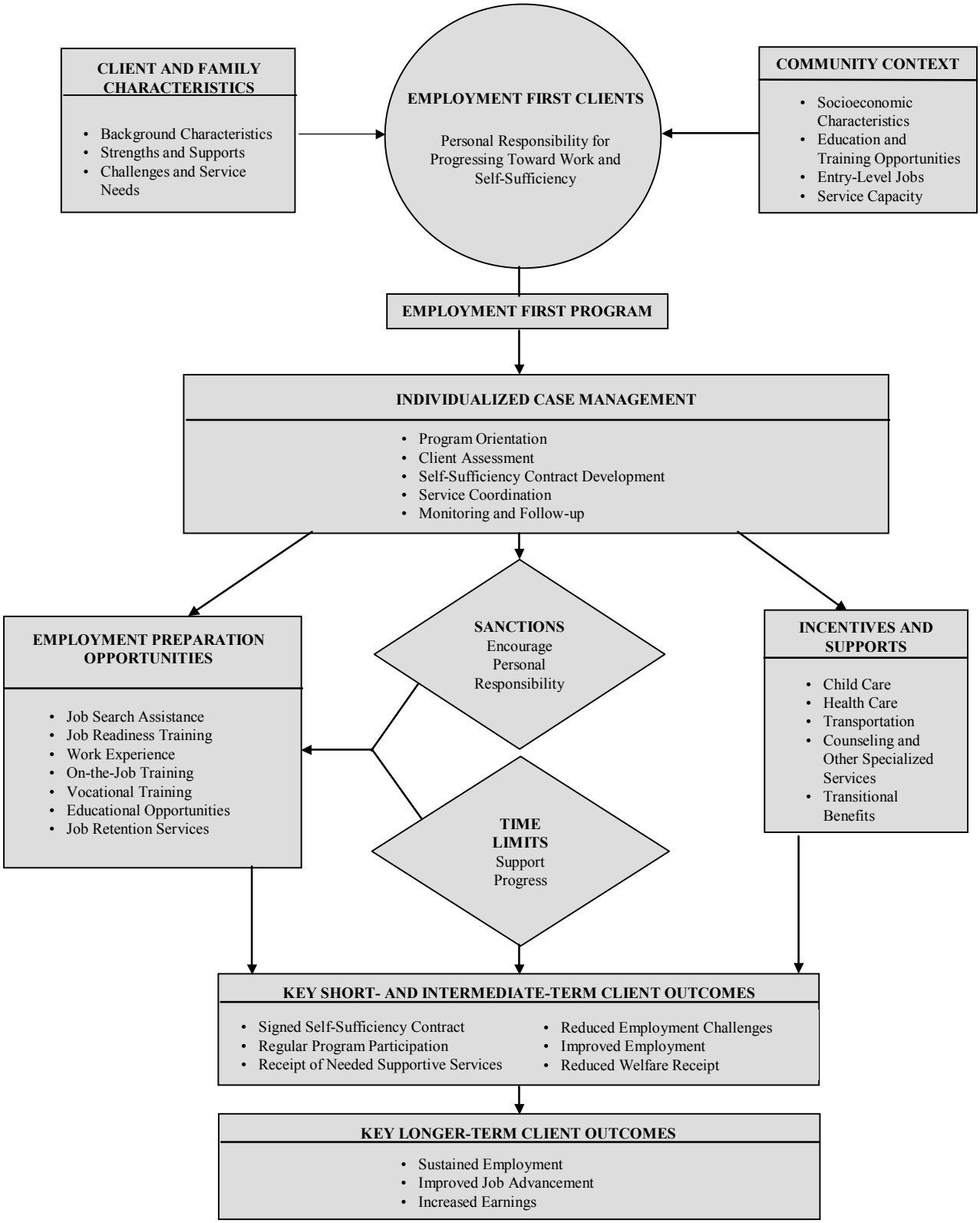
2. ***Mandatory participation in employment preparation activities,*** with up to 24 months of education and training. Job search assistance is a key opportunity offered, but a variety of other education and skill-building activities are also available to clients.

3. ***A mix of supportive services and policies,*** such as help with child care, transportation, and health care; counseling and family support services; earned income disregards; payments for clothing and work-related supplies; and a range of transitional benefits.[1]

[1]At the time the evaluation was conducted, the following policies determined TANF clients' eligibility for key transitional benefits. After clients left cash assistance, they could receive child care assistance on a sliding fee scale for as long as their countable income was less than 185 percent of the federal poverty level. They could receive transitional Medicaid for six months without regard to income and for an additional 18 months as long as their income remained below 185 percent of the federal poverty level. They could also receive supportive service payments for up to six months after they left cash assistance. Clients' earned income was disregarded from the calculation of cash benefits at a flat 20 percent rate. In general, to be eligible for food stamps, households headed by nonelderly clients were subject to three financial eligibility tests: (1) monthly gross counted income could not exceed 130 percent of the federal poverty level; (2) monthly net counted income (gross income minus allowable deductions) could not exceed 100 percent of the federal poverty level; and (3) countable resources, such as a bank account, could not exceed $2,000. With the exception of the child care policies, these polices remained unchanged at the time this report was finalized in August 2002. However, as of July 2002, child care benefits were limited to 24 consecutive months for transitional TANF clients, as long as their income remained equal to or below 185 percent of the federal poverty level.

FIGURE I.1

THE ROLE OF THE EMPLOYMENT FIRST PROGRAM IN ADDRESSING CLIENTS' CHALLENGES AND SUPPORTING WORK AND ECONOMIC INDEPENDENCE



4. ***Sanctions for nonparticipation,*** including a one-month penalty for the first sanction, three months for the second, and 12 months for the third. Sanctions result in the loss of cash assistance for the family. Adults also lose Medicaid coverage, but children retain medical and food stamps benefits.

5. ***A two-year time limit on spells of cash assistance.*** Consistent with federal TANF policy, Nebraska has a five-year lifetime limit on TANF receipt for nonexempt clients; however, it limits families' TANF receipt to 24 months in a continuous 48-month period.

Nebraska operates a state-administered welfare system but decentralizes responsibility for implementation of the Employment First program to its three regional and more than 65 local welfare offices. The Central Office of the Nebraska HHSS provides policy guidance, training, and support to its regional Service Areas. However, the regional areas and, in turn, the local HHSS offices have a great deal of autonomy in deciding how to organize and manage resources and deliver services.

A broad range of community organizations work with local HHSS offices to implement the Employment First program. Across the state there is a strong reliance on contracted service organizations to provide clients with employment preparation services, including job readiness training, job search assistance, and employment retention support. In addition, local welfare offices also rely on informal partnerships with a variety of community organizations that provide clients with education, training, work experience opportunities, and various types of supportive services.

THE EVALUATION OF EMPLOYMENT FIRST

Findings from the evaluation's two main components—a client study and a process study—are synthesized in this report. These two studies together address the key research questions by providing a framework for understanding the challenges Nebraska's welfare clients face and the ways in which the Employment First program can better address clients' obstacles and support their path to work and economic independence.

Client Study

The client study provided information on the short-term experiences of a cohort of TANF clients who were receiving assistance in January 2000. The primary data source was a telephone survey of clients. The survey documented, over a one-year follow-up period, clients' welfare receipt, employment experiences, income, personal and structural barriers, program participation and service use, and quality of life. It used well-tested batteries of questions to measure the prevalence of barriers such as mental health problems, learning disabilities, alcohol and drug abuse, and domestic violence. It also identified factors associated with clients' success in moving from welfare to work. Along with the survey, we used state administrative data from N-FOCUS on past TANF/ADC receipt.

For the survey, we selected a sample of welfare clients receiving TANF in January 2000 and then interviewed them by telephone approximately one year later. Overall, 412 clients were interviewed (200 urban and 212 rural), for an overall response rate of 75 percent. To ensure an adequate sample size for the rural subgroup, we oversampled TANF clients from rural counties. The client sample was restricted to TANF cases that were *single mothers with children*. To be eligible, clients had to (1) be single mothers between the ages of 18 and 54, (2) have at least one child in the household under age 18, and (3) be receiving TANF in January 2000. The final sampling frame consisted of 6,077 single mothers with children who received TANF in January 2000. All analyses are weighted, so that the figures represent the full statewide population of single-mother cases receiving TANF in January 2000, as well as the separate urban and rural subgroup populations.

Interpretations of the findings must be made in light of several limitations. First, the findings cannot be used to gauge the impacts of Employment First on clients. Such an assessment would need to randomly assign potential clients to the program or to a control group that did not receive program services or, alternatively, utilize a nonexperimental comparison group evaluation design. This was beyond the scope of this evaluation. Second, the client study looked at one cohort—those who received TANF in January 2000—so it could not address the issue of whether the composition of Nebraska's TANF caseload has changed over time.

Third, by design, the client study was able to assess differences and similarities among urban and rural clients. However, because the sample sizes were small, it could not look at subgroups of clients separately within urban and rural clients. The study also examined the experiences of subgroups defined by employment and TANF receipt at the time of the follow-up survey; that is, it compared the experiences of current and recent former TANF recipients. Because of limitations on sample size, however, we focused findings related to employment and welfare receipt on two of four employment-TANF subgroups: "employed and off TANF" and "not employed and receiving TANF."

A summary of the client study findings is provided in this report. For further analysis of the data, as well as a detailed discussion of the sampling, data collection, and data weighting procedures used, see Ponza, Meckstroth, and Faerber 2001.

Process Study

Complementing the client study, we conducted a qualitative study of how the Employment First program was implemented and operated and what program strategies were used to address clients' barriers and prepare them for employment. We focused on four communities—Omaha, Lincoln, Scottsbluff/Gering, and Columbus. The process study was based primarily on two rounds of site visits to these communities—the first round conducted during winter 1999 and the second about two years later, during spring and summer 2001. The first-round process study provided early formative feedback to HHSS on program accomplishments, challenges, and opportunities for improvement (Meckstroth, Pavetti, and Derr 1999). The second-round study, based on the second set of site visits, built on this first study.

The four communities selected for the process study are fairly representative of communities across the state. Omaha and Lincoln—Nebraska's two urban areas—were selected because together they account for more than half of Nebraska's TANF caseload. Scottsbluff/Gering and Columbus were selected to represent the experiences of welfare offices in Nebraska's rural areas. Caseload size and location were the two primary factors used to select these communities as research sites. Although these two areas are fairly representative of Nebraska's rural areas, their program experiences do not necessarily represent the experiences of all rural areas in the state.

Each site visit was conducted by two researchers over a two- to four-day period. The main activities were (1) semistructured interviews with HHSS administrators, supervisors, case managers, intake and eligibility workers, and representatives from contractors and community service providers; (2) focus groups with case managers and clients; and (3) reviews of client case histories with case managers. From these we produced a summary of key program findings and recommendations for each site. In addition, to collect basic information on program experiences in other parts of the state, we conducted group telephone interviews with key staff in each of the regional Service Areas, including staff from the Service Areas not included in the site visit process.

A PROFILE OF NEBRASKA'S WELFARE CASELOAD AND COMMUNITY CONTEXT

A full understanding of Nebraska's welfare clients and the program strategies used to address their needs requires an understanding of their background characteristics, as well as the context in which they live and in which the program is implemented. In this section, we profile clients' demographic and socioeconomic characteristics and highlight key features of Nebraska's urban and rural areas.

TANF Clients in Nebraska

Most of Nebraska's TANF caseload comprises single-mother cases, the subgroup profiled in this report. At the time of sampling in January 2000, approximately 61 percent of the caseload were single-mother (adult) cases, and the rest was child-only cases (27 percent), two-parent cases (8 percent), single-father cases (3 percent), and teen-parent cases (1 percent). Excluding child-only cases, the single-mother (adult) cases made up a large majority (84 percent) of Nebraska's remaining (non-child-only) TANF caseload, which is the group required to participate in Employment First activities.

Nebraskan clients were younger and more likely to be white than TANF clients nationwide. Among single-mother cases, the average Nebraskan client was 28 years old with two children under age 18 (Table I.1). Nationwide, the average adult TANF client was 32 years old with two children (U.S. Department of Health and Human Services 2001). Over half of Nebraska's single-mother TANF clients were white, less than one-third were African American, and about one-tenth were Hispanic. Nationwide, adult TANF recipients were less likely to be white (32 percent), while 36 percent were African American and 23 percent were Hispanic (U.S. Department of Health and Human Services 2001).

TABLE I.1

DEMOGRAPHIC CHARACTERISTICS AND WELFARE AND EMPLOYMENT EXPERIENCES OF SINGLE-MOTHER TANF CASES AT TIME OF SAMPLING, JANUARY 2000
(Percentages, Unless Stated Otherwise)[a]

	Urban	Rural	All
Age (in Years)			
Younger than age 25	40	37	39
25 to 34	38	42	39
35 or older	22	21	22
(Average age)	(28.1)	(28.5)	(28.3)
Race/Ethnicity		***	
Non-Hispanic white	41	72	52
Non-Hispanic African American	47	1	30
Non-Hispanic Native American	2	15	7
Other non-Hispanic	3	1	2
Hispanic	8	11	9
Highest Education Completed			
Less than high school diploma/GED	24	18	22
High school diploma/GED	49	58	52
More than high school diploma/GED	28	23	26
Number of Children Less than Age 18 in Household			
One	42	45	43
Two	31	30	31
Three or more	28	25	27
(Average number of children <18 in household)	(2.0)	(2.0)	(2.0)
Duration of Current TANF/ADC Spell		***	
Less than 6 months	27	44	34
6 to 11 months	33	28	31
12 or more months	41	27	36
(Average months of receipt)	(19.4)	(10.5)***	(16.2)
(Median months of receipt)	(9)	(7)	(8)
Months Received TANF/ADC Since 1992		***	
Less than 12 months	24	32	27
12 to 47 months	34	48	39
48 or more months	43	20	35
(Average months of receipt)	(42.5)	(28.6)***	(37.5)
(Median months of receipt)	(38)	(23)	(27)
Proportion of Years Employed Since Age 18			
About 75 percent or most years	55	65	59
About 50 percent	21	15	19
About 25 percent	9	8	9
Never or hardly at all	14	11	13
Sample Size	**200**	**212**	**412**

SOURCE: Data on demographic characteristics and employment are from the Nebraska Client Survey. Data on duration of TANF receipt are from Nebraska state administrative records. Tabulations are weighted.

NOTE: GED = General Equivalency Diploma; TANF = Temporary Assistance for Needy Families; ADC = Aid to Dependent Children.

[a] Because missing data, percentages may not sum to 100 percent in cases where a variable's full distribution is shown (these represent "Don't Know or "Refused" responses).

We conducted t-tests (for continuous variables) and chi-squared tests (for categorical variables) to test for differences between urban and rural clients: *Significantly different from zero at the .10 level, two-tailed test; **Significantly different from zero at the .05 level, two-tailed test; ***Significantly different from zero at the .01 level, two-tailed test.

Nebraskan clients were relatively well educated. A large majority—nearly four in five—had a high school degree or GED (Table I.1). This compares with about half of TANF clients nationwide who had completed 12 years of education (Falk and Butler 2001). Many clients in Nebraska also had substantial work experience. Nearly three in five reported having worked for pay in most or all of the years since they were 18 years old.

The characteristics of clients in urban and rural areas were similar, with the exception of race/ethnicity and time on welfare. Clients in rural areas were predominantly white (72 percent), while urban areas contained a large African American TANF population (47 percent). Rural and urban clients differed substantially on length of welfare receipt. Rural clients had significantly less cumulative time on welfare than urban clients, less than two and a half years, compared with three and a half years, on average, since 1992.

Nebraska's Urban and Rural Communities

While Nebraska is a homogenous rural state in many ways, its urban and rural communities face some unique social, demographic, and labor market issues.

Statewide Context. Nebraska prides itself on being a state that has always emphasized the importance of work. The unemployment rate during the evaluation's time period was less than 5 percent, below the national average (Table I.2). Much of the state's economy revolves around agriculture and related services. Other major industries relate to meat processing, machinery, electric equipment, and printing. Despite the economic prosperity, however, about one-tenth of Nebraska's population lives in poverty.

Most of Nebraska's 1.7 million residents live in rural or semirural communities in 93 counties across the state. Still, over two-fifths live in Omaha and Lincoln, the state's largest metropolitan areas. Nebraska, particularly its rural areas, is largely homogeneous in terms of racial and ethnic composition—the vast majority of families are white. However, some communities have experienced a recent influx of refugees, other immigrants, and migrant workers. Families from Mexico, Central America, Vietnam, Eastern Europe, and the Middle East have settled in Nebraska and become part of the workforce and Employment First program in some locations.

Nebraska has a relatively well-educated population. Over four-fifths of adults have completed high school, compared with about three-quarters nationwide. In addition, almost one-fifth have a college degree, which is only slightly less than the one-fifth of adults nationwide who have a college degree. Postsecondary school education and training is generally available in communities across the state, as Nebraska offers a wide range of colleges and universities and vocational/career schools in both its rural and its urban areas.

Urban Areas. More than half of Nebraska's TANF caseload and nearly two-thirds of its single-mother TANF cases reside in Omaha and Lincoln, the state's two urban areas. The larger, Omaha, is in eastern Nebraska in Douglas County, though its metropolitan area extends into neighboring Sarpy County. Omaha, with over two-fifths of the state's TANF caseload, serves the highest number of TANF families in Nebraska. Omaha also has the most diverse population in the state, with a large African American community (12 percent).

TABLE I.2

SELECTED DEMOGRAPHIC AND SOCIOECONOMIC CHARACTERISTICS
OF THE PROCESS STUDY RESEARCH SITES

	State of Nebraska	Douglas County (Omaha)	Lancaster County (Lincoln)	Scotts Bluff County (Scottsbluff/ Gering)	Platte County (Columbus)
Total Persons (January 2000)[a]	1,711,263	463,585	250,291	36,951	31,662
ADC/TANF CaseloadCFamily Cases (January 2001)[b]	10,377	4,775	1,139	368	133
Percentage of Households That Are Female-Headed (1990)	8.3	12.2	8.7	9.0	6.1
Percentage of Families Below Poverty (1998)	9.8	10.5	8.9	15.9	7.8
Percentage of Children (Under Age 18) Below Poverty (1998)	12.6	14.9	11.9	20.5	11.6
Racial Distribution (2000)					
White	89.6	81.0	90.1	87.6	94.3
African American	4.0	11.5	2.8	0.3	0.4
Other (mostly Hispanic)	6.4	7.5	7.1	12.1	5.3
Percentage of High School Graduates (1990)[c]	81.8	84.5	88.1	74.3	79.5
Percentage of College Graduates (1990)[c]	18.9	24.9	27.6	13.9	12.8
Unemployment Rate (2000)[d]	3.0	3.1	2.6	4.6	3.2
Average Hourly Wage (Full-Time New HiresC1999)[e]					
All jobs	$12.09	$13.15	$13.35	$ 8.14	$ 11.54
Service sector positions	$ 8.55	$ 8.76	$ 9.20	$ 6.32	$ 7.84
Laborers/operators/fabricators	$ 9.26	$ 9.42	$ 8.96	$ 9.70	$ 10.40
Average Hourly Wage (Part-Time New HiresC1999)[e]					
All jobs	$ 6.97	$ 7.14	$ 6.95	$ 6.02	$ 6.53
Service sector positions	$ 5.90	$ 5.86	$ 6.22	$ 5.59	$ 5.49
Laborers/operators/fabricators	$ 8.24	$ 7.50	$ 7.50	$ 6.50	$ 7.70

NOTE: Data are from the *2000 Annual Metro, City, and County Data Book,* unless otherwise noted.

[a]Population estimates for January 1, 2000, Population Division, U.S. Bureau of the Census.

[b]The Nebraska Health and Human Services System ADC/TANF reporting system data, January 2001.

[c]Calculated for individuals age 25 and older.

[d]Nebraska Workforce Development, Department of Labor.

[e]Nebraska Quarterly Business Conditions Survey.

It also has a larger percentage of families living in poverty, as well as a larger percentage of female-headed households, than many communities in the state. The unemployment rate in Omaha is low, and employment opportunities are available in various industries, such as information technology, telecommunications, health care support, and other service sectors.

Lincoln, in Lancaster County, is the second-largest urban area in Nebraska. Lincoln's TANF population represents about one-tenth of the number of families on assistance statewide. Even though Lincoln is a fairly homogeneous community, thousands of refugee, immigrant, and migrant families have relocated to the area, and people in Lincoln speak more than 40 different languages. Residents tend to be better educated than those in other parts of the state, in part because Lincoln is both the state capital and the home of the University of Nebraska. Overall, average wages are higher in Lincoln than in other parts of the state, and the poverty rate is lower. The area's largest employers are state and local government, hospitals, manufacturers, local colleges, and the University of Nebraska. Service jobs such as retail and food service are also common.

Rural Areas. Scottsbluff/Gering and Columbus are the two rural areas included in the evaluation's process study. In western Nebraska, Scottsbluff and Gering are the two largest communities, located in Scotts Bluff County, which borders Colorado and Wyoming. Fewer than 400 families qualified for TANF in Scotts Bluff County during the evaluation's time period. Scottsbluff and Gering are generally less prosperous than the other research communities, with higher unemployment and poverty compared to the state average. Underemployment is also common, and starting wages are lower than the state average. In addition to farming and agribusiness, economic activity is concentrated in manufacturing, health care, retail, wholesale industries, education, and tourism.

Columbus, in eastern Nebraska, is a rural area in Platte County. The TANF caseload is low in Columbus: about 130 families received cash assistance during the evaluation's time period. Industrial and manufacturing jobs, for example, in the meatpacking, auto, and medical supplies industries, are common among area residents. However, manufacturing industries in Columbus are not completely stable, as they face periodic layoffs. In addition, many of the area's available jobs are temporary or part-time and do not offer benefits. Still, the region enjoys low unemployment and poverty compared with many parts of the state.

ORGANIZATION OF THE REPORT

The next two chapters focus on the evaluation's main research questions. Chapter II examines the employment experiences and obstacles of Nebraska's welfare clients. Chapter III describes and assesses the Employment First program and its implementation, including the delivery of case management services, client participation in program activities, and the use and delivery of supportive services. Chapter IV presents important program and policy recommendations suggested by the findings.

CHAPTER II

EMPLOYMENT OBSTACLES AND EXPERIENCES AMONG NEBRASKA'S WELFARE CLIENTS

Welfare clients in both urban and rural areas in Nebraska must overcome serious personal, logistic, and skill-related obstacles in finding jobs, remaining employed, and supporting their families. While many of Nebraska's welfare clients work and leave welfare despite such obstacles, many continue to receive cash assistance. Overall, these obstacles can make it difficult for clients not only to obtain jobs, but also to stay employed and achieve long-term economic independence. Clients who face multiple obstacles are at added risk of poor labor market outcomes. In this chapter, we examine the obstacles that TANF clients face, their employment and welfare experiences, and how their obstacles may impede their employment.

OBSTACLES TO EMPLOYMENT THAT NEBRASKA'S TANF CLIENTS FACE

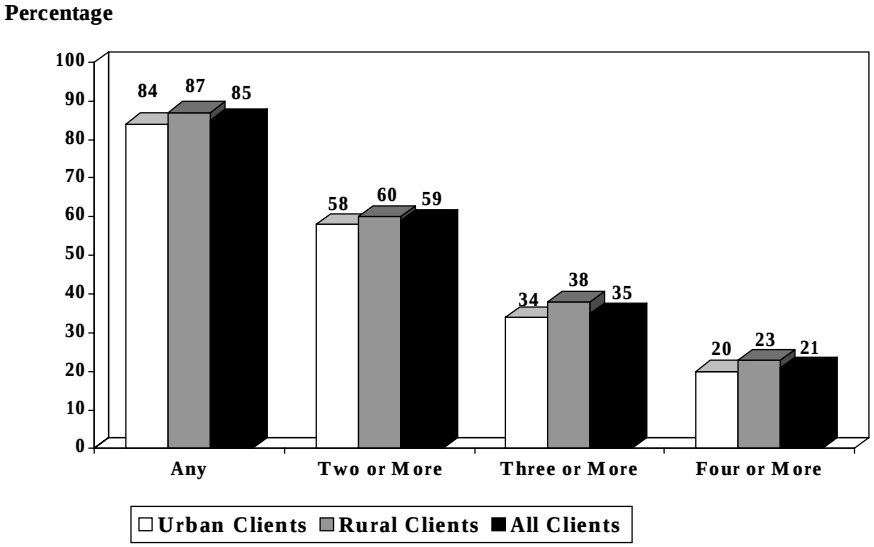
The client survey revealed 11 obstacles to employment experienced by Nebraska's TANF caseload: (1) low skills, (2) learning disabilities, (3) major depressive disorder, (4) alcohol or drug abuse, (5) poor physical health, (6) physical domestic abuse, (7) caretaker (dependent care) responsibilities for a child or other household member with health or behavioral problems, (8) low self-efficacy/control, (9) criminal histories, (10) transportation problems, and (11) child care problems. These obstacles generally represent current problems, measured over the 12-month follow-up period. (See Appendix A for definitions of these measures.)

- **Employment obstacles were quite prevalent among single mother TANF clients; most clients faced multiple obstacles.**

Nearly 9 in 10 of the single mothers receiving TANF in January 2000 reported having at least one employment obstacle during the 12 months prior to the survey (Figure II.1). Nearly three-fifths of the clients reported two or more obstacles, over one-third had three or more, and one-fifth had four or more. Clients on average had two obstacles during the past 12 months (not shown).

FIGURE II.1

NUMBER OF EMPLOYMENT OBSTACLES AMONG TANF CLIENTS DURING THE PAST YEAR



SOURCE: Tabulations are weighted.

NOTES: Obstacles refer to low skills; learning disability; despressive disorder; poor physical health; alcohol or drug abuse; physical domestic abuse; caretaker responsibilities for a child or other household member with a health or behavior problem; low self-efficacy/control; criminal histories; transportation problems; or child care problems.

The difference between urban and rural clients for these characteristics was not significant at the .10 level, using two-tailed tests.

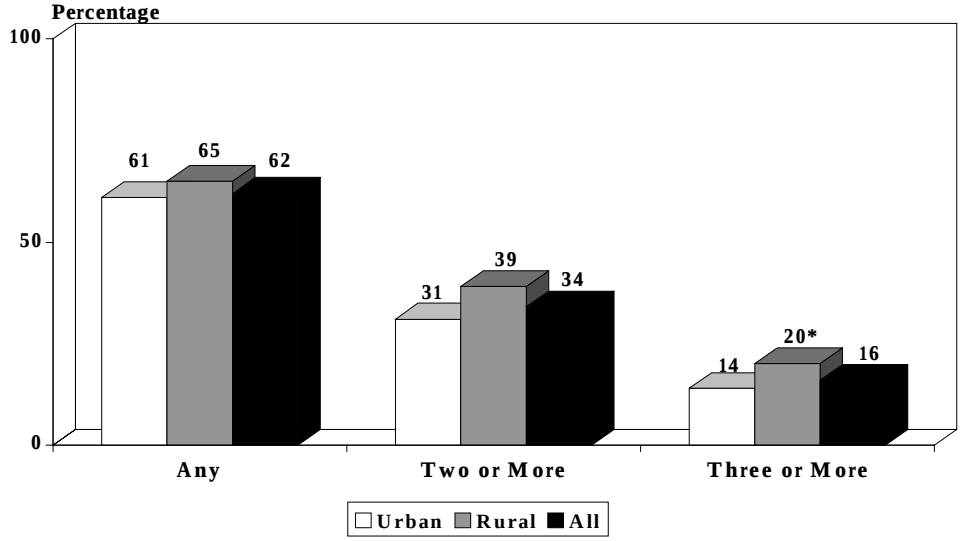
- **Nearly two-thirds of clients reported one or more major personal or family challenges related to mental or physical health, substance abuse, domestic abuse, learning disabilities, or dependent care responsibilities. Over one-third reported two or more such challenges.**

Most clients faced one or more serious personal or family obstacles during the past year. Overall, 62 percent were identified as having at least one personal or family obstacle, such as a learning disability, a major depressive disorder, an alcohol or drug abuse problem, poor physical health, physical domestic abuse, or the need to care for a child or other household member with health or behavioral problems (Figure II.2). Thirty-four percent had two or more serious obstacles in the past year, and 16 percent had three or more.

Many clients experienced mental health problems, and other serious personal or family obstacles were also common. Based on their responses to a series of questions, one-third of clients were classified as having had major depressive disorder during the past 12 months (a major episode of depression lasting two or more consecutive weeks) (Figure II.3). Nearly one-third of clients also reported having a child or elderly dependent with health problems or special behavioral or other needs. Smaller but still substantial fractions of clients were identified as having other serious personal or family obstacles, such as substance abuse, a learning disability, physical domestic abuse, or physical health problems (Figure II.3).

FIGURE II.2

NUMBER OF MAJOR PERSONAL AND FAMILY OBSTACLES TO EMPLOYMENT AMONG CLIENTS DURING THE PAST YEAR[a]



SOURCE: Nebraska Client Survey. Tabulations are weighted.

[a]Personal and family obstacles refer to a learning disability, major depressive disorder, an alcohol or drug abuse problem, poor physical health, physical domestic abuse, or caretaker responsibilities for a child or other household member with a health or behavioral problem.

*Significantly different from zero at the .10 level, using a two-tailed test.

Findings about the prevalence of serious personal or family problems among Nebraska's single-mother welfare population are generally consistent with other national and state-level studies that have examined the prevalence of employment barriers (Olson and Pavetti 1996; Johnson and Meckstroth 1998; Loprest 1999; Danziger et al 1999; and Meckstroth et al. 2000). Although comparing findings across studies is difficult given differences in measures used, it appears that the prevalence of substance abuse among Nebraska's clients is generally consistent with other studies; the prevalence of a mental health problem is somewhat higher than is found in other studies; and the prevalence of current physical domestic abuse and learning disabilities is somewhat lower.

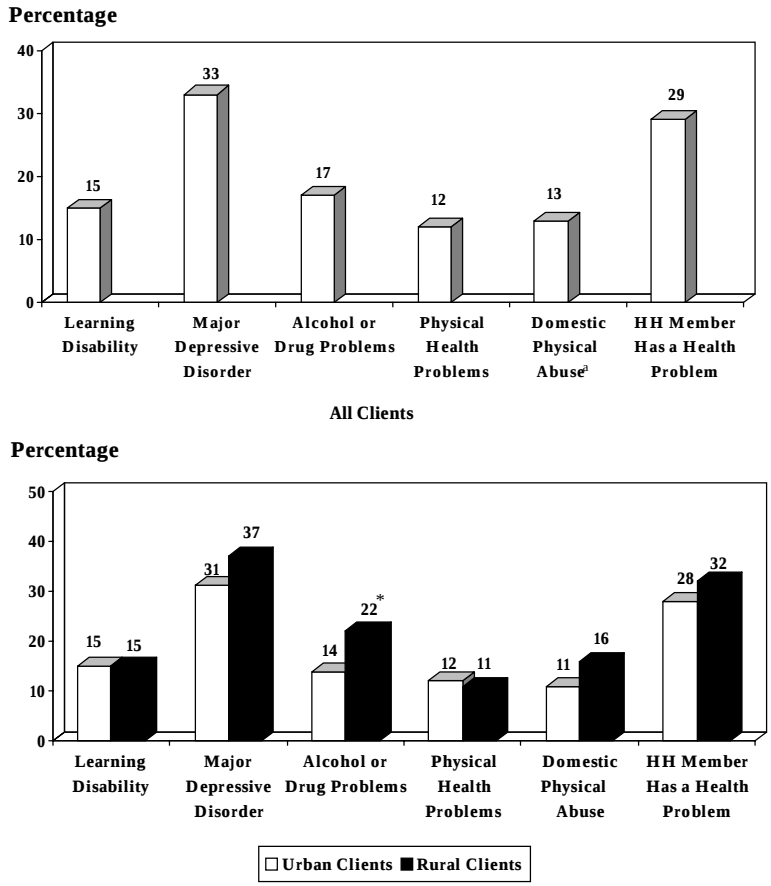
- **One in three clients had low skills, and many reported experiencing logistical problems related to child care and transportation.**

Low skills, defined as low educational achievement or limited work histories, was a common problem (Figure II.4). More than one in three clients did not have a high school diploma or GED or had little or no paid work experience as an adult.

One-third of clients reported having had child care problems during the past year, such as (1) not being able to find child care during the time of day or day of week that they needed it, or (2) having to use a child care provider too far from home or work (Figure II.4).

FIGURE II.3

MAJOR PERSONAL AND FAMILY OBSTACLES TO EMPLOYMENT AMONG CLIENTS



SOURCE: Nebraska Client Survey. Tabulations are weighted.

*Significantly different from zero at the .10 level, two-tailed test.

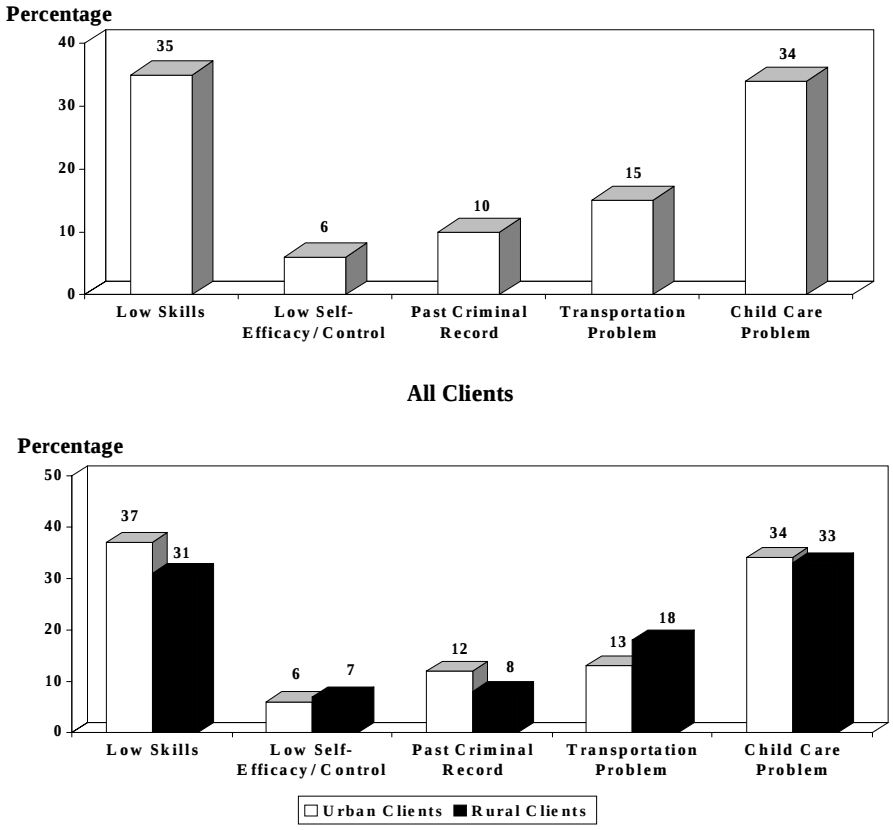
[a]While 13 percent of clients reported experiencing domestic physical abuse during the past year, 45 percent reported *ever* experiencing such physical abuse at the hands of a husband, boyfriend, or partner. Rural clients were much more likely than urban clients to have ever experienced domestic physical abuse, 55 percent versus 40 percent. (This difference was significant at the .01 level, using a two-tailed test.)

A substantial fraction of clients faced transportation problems. One-third reported that they lacked access to a car that worked or did not have a valid driver's license (results not shown). This can pose difficulties for many clients, since the vast majority use a car to get to work. (Public transportation options are limited, especially in the rural areas.) Urban clients were considerably more likely than rural ones to report lacking a reliable car or driver's license (42 percent versus 26 percent). However, some Nebraska communities, particularly in the urban areas, offer bus, van, taxi, or shuttle services that clients without access to privately owned vehicles may use to get to work. When we define a transportation barrier as "not having a driver's license or access to a working car or other vehicle, *and* the community

does not offer bus, van, or shuttle services," 15 percent of Nebraska's TANF clients report such a barrier (Figure II.4).[1] Overall, however, few clients relied on public transportation to get to work (14 percent of urban clients and 1 percent of rural clients), which suggests that the existing public transportation options are limited.

FIGURE II.4

OTHER OBSTACLES TO EMPLOYMENT AMONG CLIENTS



SOURCE: Nebraska Client Survey. Tabulations are weighted.

The difference between urban and rural clients for these characteristics was not significant at the .10 level, using two-tailed tests.

[1]This measure, however, probably understates the prevalence of the barrier, as some respondents may live in communities where, though public transportation and other transportation services do exist, they are not accessible for commuting to jobs or convenient for child care. For example, the services may be available only during the day and early evening, or they may be too costly or unreliable.

- **Nearly one in four clients had low skills coupled with at least one serious personal challenge, which increased their need for multiple, comprehensive services.**

Some employment obstacles are easier than others for human services organizations to deal with, and clients with multiple personal or family problems and skill deficiencies are often more difficult to serve than clients with just one problem. For instance, providing remedial education, job training, and job search assistance to clients with poor job skills is easier when they do not have other serious personal problems.

Many clients had adequate skills but at least one serious personal barrier that could interfere with their ability to find and keep a job (Figure II.5). Two-fifths were classified as having adequate skills but also having one or more major health problems, a mental health problem, a learning disability, physical domestic abuse, substance abuse problems, or caretaker responsibilities for a child or other household member with a health or behavioral problem. Proper screening to identify these personal and family problems, followed by referrals to appropriate service providers, is critical in addressing these barriers and helping prepare clients for work.

A substantial fraction of clients had poor job skills *and* at least one other serious personal barrier, such as a physical or mental health problem, a learning disability, substance abuse, physical domestic abuse, or caretaker responsibilities for a child or adult family member with health or behavioral problems (Figure II.5). These clients—nearly one in four of all clients—need multiple, comprehensive services to help them overcome personal and family issues, as well as services to enhance basic job skills. Some of these clients might benefit from supported work opportunities that include the use of on-the-job coaching and workplace accommodations.

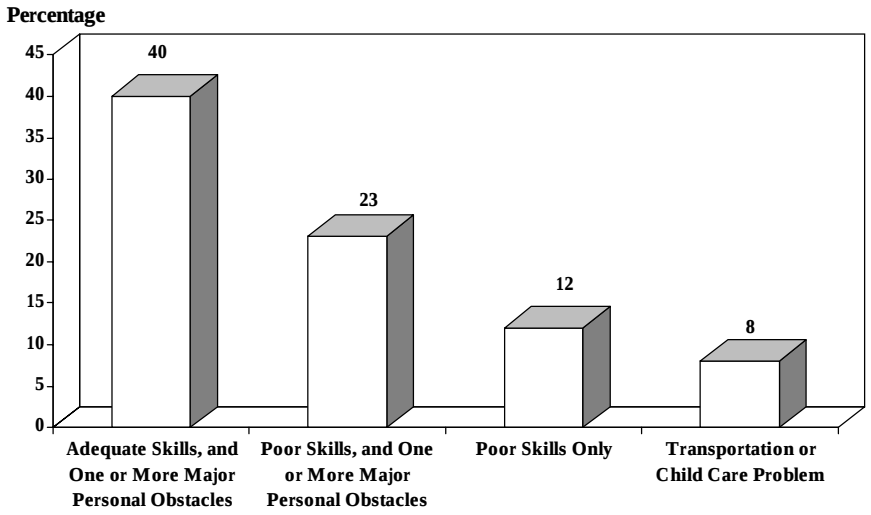
Smaller fractions of clients need targeted assistance to address particular barriers. About one-tenth had low skills but no other obstacles. Skill-building activities available under Employment First, such as basic education, vocational training, and work experience, are advisable for this group. In addition, nearly one-tenth of clients reported logistical obstacles related to child care or transportation, but no skill deficiencies or other serious personal or family barriers. Helping these clients find reliable and affordable child care and transportation services is the key to addressing their barriers and helping them make the transition to employment.

- **Urban and rural clients faced similar obstacles.**

Employment obstacles were prevalent in both urban and rural areas of Nebraska. This is consistent with recent research on urban-rural differences in client characteristics in other states (Weber and Duncan 2001). For instance, Nebraska's urban and rural clients faced a similar number of obstacles, on average slightly more than two (2.1 versus 2.3, respectively; results not shown). Urban and rural clients also generally faced similar types and combinations of obstacles. Of all the employment obstacle outcomes considered, there

FIGURE II.5

PREVALENCE OF SELECTED COMBINATIONS OF EMPLOYMENT OBSTACLES



SOURCE: Nebraska Client Survey. Tabulations are weighted.

were only three statistically significant differences between urban and rural clients, and these were only marginal (significant at the .10 level, using a two-tailed test). Specifically, rural clients were somewhat more likely than urban ones to be identified as having an alcohol or drug abuse problem (Figure II.3), instances of three or more personal or family obstacles (Figure II.2), and having adequate skills but facing one or more serious personal or family problems (32 percent versus 24 percent of urban clients; results not shown).[2]

CLIENTS' WELFARE AND EMPLOYMENT EXPERIENCES

The goal of Employment First is to reduce clients' reliance on welfare and promote economic independence through sustained employment. In this section, by examining the patterns of welfare receipt and employment of a cohort of single mothers receiving TANF, we assess their progress toward leaving welfare for work. In particular, we examine how those on TANF in January 2000 are faring approximately one year later. Note that the one-year follow-up period does not refer to the first 12 months after clients most recently *entered*

[2]Although reported instances of physical domestic abuse during the past year were not significantly different for urban and rural clients, rural clients were much more likely to report having *ever* experienced physical domestic abuse at the hands of a husband, boyfriend, or partner, 55 percent compared with 40 percent of urban clients. (This difference was significant at the .01 level, using a two-tailed test.) Overall, 45 percent of clients statewide reported ever experiencing such abuse.

TANF. For the vast majority, the one-year follow-up period begins one or two years after they began their current TANF spell.[3]

The philosophy of Employment First is that obtaining and keeping good jobs is the primary route to economic independence for TANF recipients. The characteristics of the jobs clients hold can provide some indication of whether those jobs have the potential to lead to sustained employment and economic independence in the long run. Moreover, clients' monthly income from work and other sources, as well as their overall standard of living, are indicators of their quality of life and level of economic independence.

- **Over half of clients still received TANF a year later, but the fraction of these clients who were also working was high compared with that of other states.**

A substantial fraction of clients left welfare for work. Over one-third of the single mothers receiving welfare in January 2000 were working and no longer receiving TANF at the time of the survey, approximately one year later (Figure II.6). Two-thirds of these clients worked 35 or more hours per week in their current job (results not shown).

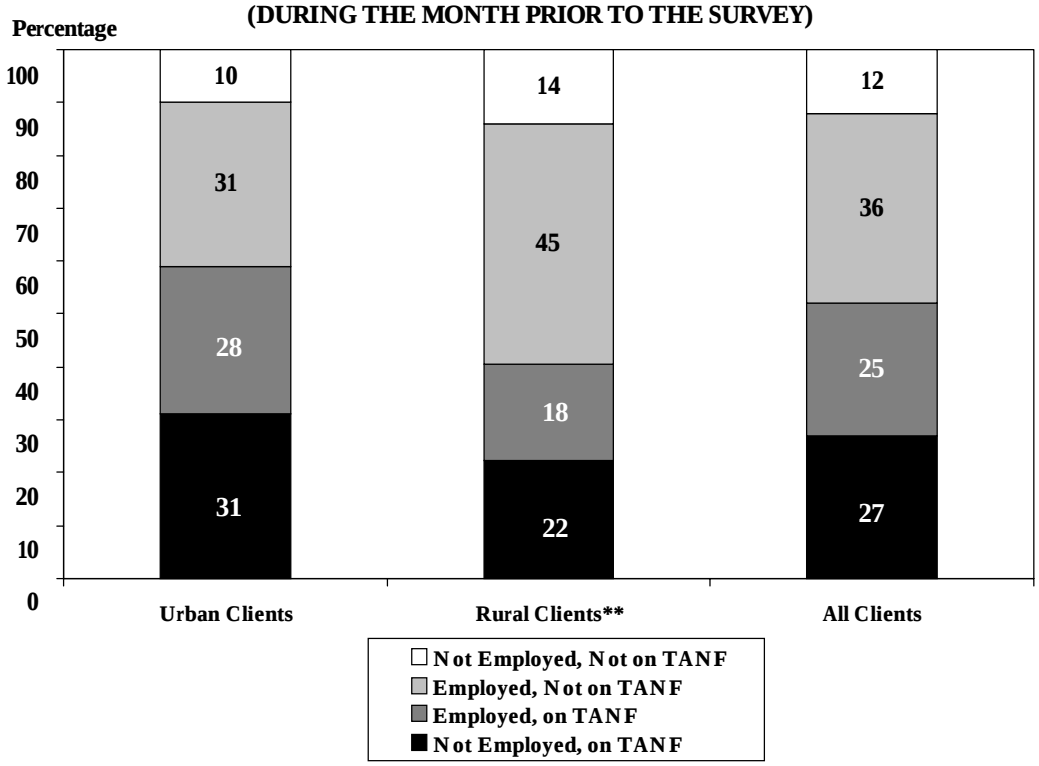
Many current TANF clients in Nebraska combined welfare with work. Although over half of clients were still receiving TANF in the month prior the survey, about one year later, half of these clients were also employed (Figure II.6). Half of the employed, current TANF recipients worked in part-time jobs (less than 35 hours per week), which is significantly higher than the one-third of employed clients who had left welfare (results not shown). Clients who combined welfare with work also worked during fewer months over the past year than clients who had left welfare for work (5 months versus 9, on average) and they received welfare for more months over the past year (9 months versus 4, on average). This suggests that clients who combine welfare with work may struggle to maintain employment and exit welfare permanently.

The proportion of clients who combined welfare with work is higher than has been found in other recent studies of welfare recipients (Rangarajan and Wood 1999). The high likelihood that many welfare clients in Nebraska also work may be due to several reasons: the effectiveness with which case managers communicate the work-oriented program philosophy to individual clients; clients' work ethic and realization of the financial benefits of working; and the fact that Nebraska's TANF recipients are relatively well-educated and therefore more employable. However, the high fraction of clients who worked and remained on welfare also suggests that many held low-paying, part-time jobs which did not allow them to earn enough to support their families.

[3]By design, all the clients in the study were receiving TANF when they were sampled in January 2000. Because the sample is a cross-section of clients receiving TANF at a point in time, clients were at different points in their current welfare spells when the follow-up period began. Specifically, at the time of sampling, nearly two-thirds of the single mothers were in a current TANF spell that had been going on for less than one year, whereas about one-eighth of the clients had been receiving TANF for three or more years.

FIGURE II.6

EMPLOYMENT AND TANF RECEIPT AMONG CLIENTS ABOUT ONE YEAR LATER (DURING THE MONTH PRIOR TO THE SURVEY)



SOURCE: Nebraska Client Survey. Tabulations are weighted.

**Differences between urban and rural clients on employment-TANF status were statistically significant from zero at the .05 level, using a two-tailed chi-squared test.

- **The hardest-to-employ clients were the one in four who still received TANF and did not work a year later. These clients were much less job-ready than clients who had left welfare for work.**

A substantial minority of clients still received TANF but neither worked nor participated in employment preparation activities. Slightly more than one in four were still on TANF and not working at the time of the survey. Among these clients, only one in five was currently participating 20 hours or more per week in an employment-related activity.

Clients who remain on TANF and do not work are of particular concern, as some may eventually reach Nebraska's two-year TANF time limit with little work experience. Those who neither work nor participate in work activities are at even greater risk. Clients who were not working one year later were considerably less prepared for employment than were those who had left TANF for work (Table II.1). For example, compared with clients who were employed and off TANF, clients still on TANF and not employed were significantly less educated and had much less work experience. Moreover, clients who remained on TANF and were not employed also had long histories of TANF/ADC receipt as adults.

TABLE II.1

EMPLOYMENT PREPARATION AND CONSTRAINTS OF SINGLE-MOTHER TANF CASES

Characteristics (at Time of Sampling)	Employment-TANF Status (About One Year Later)	
	Employed, off TANF	Not Employed, on TANF
Worked for Pay in All or Most Years Since Age 18	79	45***
High School Diploma/GED or Greater	87	64***
Average Number of Months Received TANF/ADC Since 1992	32	44***
Average Number of Months Received TANF/ADC, Current Spell	12	22***
Client's Average Age	29	29
Average Number of Children Less than Age 6 in Household	1.8	2.0
Sample Size	**162**	**106**

SOURCE: Nebraska administrative data and Nebraska Client Survey. Tabulations are weighted.

We conducted t-tests for differences between clients employed, off TANF and those not employed, on TANF. Differences between these groups for this characteristic:

*Significantly different from zero at the .10 level, two-tailed test.
**Significantly different from zero at the .05 level, two-tailed test.
***Significantly different from zero at the .01 level, two-tailed test.

- **About one in ten clients was neither working nor receiving TANF a year later. These clients were a mixed group that faced different risks for remaining in poverty.**

A small fraction of clients left welfare but was not working. Twelve percent of single mothers receiving TANF in January 2000 were neither working nor receiving welfare at the time of the survey, approximately one year later (Figure II.6). This group represented one-quarter of the clients who had exited TANF at the time of the survey.[4] Although they represent only a small proportion of the caseload, many clients who leave welfare without

[4]The 25 percent of Nebraska's welfare clients who left TANF and were not working is lower than has been found in TANF "leaver" studies in other states. For example, a recent GAO report, which summarized the results of TANF leaver studies from seven states, found that the proportion of welfare leavers who were not employed ranged from 29 to 39 percent (U.S. General Accounting Office 1999). These earlier studies, however, were all based on surveys conducted about the time that TANF was implemented nationally in 1997, whereas the Nebraska client study was conducted in 2000. The findings for Nebraska, however, are consistent with a recent study of TANF leavers in Iowa. For instance, Kauff et al. (2001) found that 24 percent of a recent cohort of clients who left TANF did not receive TANF, food stamps, or Medicaid, nor did they work in the four quarters since their exit, approximately one year later.

work may be at high risk either of returning to TANF or of falling through the cracks in Nebraska's service delivery system and experiencing high rates of poverty and hardship.

How do clients who have left TANF and are not employed support themselves? Approximately three in five in this group were in unstable economic situations.[5] Most had not worked for pay recently and did not live with an employed spouse or other employed adult. To support themselves, these people relied largely on income from child support and food stamps, and on help from family or friends. They had low household incomes and were at high risk of living in long-term poverty (Ponza, Meckstroth, and Faerber 2001). The rest of the clients who neither worked nor received TANF at the time of the survey—approximately two in five—were generally in stable economic situations. Some of them lived with an employed spouse or partner; and some had only recently lost their jobs and appeared able to find new ones.

- **Clients in rural areas were more likely than those in urban areas to be employed and off TANF a year later; urban clients were more likely to remain dependent on TANF.**

Clients living in rural parts of Nebraska were significantly more likely than urban clients to have left welfare for work a year later. Forty-five percent of clients residing in Nebraska's rural areas were employed and off TANF approximately one year later, compared with 31 percent of urban clients (Figure II.6). The finding that welfare recipients in Nebraska's rural areas left TANF sooner than those in urban areas is consistent with other studies that have examined urban-rural differences in patterns of employment and welfare receipt (Weber and Duncan 2001).[6]

Clients in urban areas were more likely than rural clients to remain dependent on welfare. Almost three in five single-mother urban clients who were receiving TANF in January 2000 were still receiving it about a year later, compared with two in five rural clients (Figure II.6). Moreover, urban clients were nearly twice as likely as rural ones to have received TANF continuously during the 12 months preceding the survey (34 percent versus 19 percent (not shown). They received TANF an average of 7.5 months during the 12-month period preceding the survey, approximately one and a half months longer than rural clients.

Despite comparable employment challenges and more limited access to employment opportunities, rural clients may be more likely than urban clients to work, for several key reasons. First, as indicated in Chapter I, Nebraska's rural clients were less dependent on welfare over the past eight years. The close-knit social fabric in rural areas may facilitate a stronger work ethic among rural clients by making them feel more accountable to community norms that support work. Second, as shown in the next chapter, rural clients were more likely to participate in the Employment First program and receive certain types of

[5]The findings on clients neither receiving TANF nor working should be treated cautiously, since they are based on few observations (the unweighted sample size is 49 cases).

[6]Other studies have also found, however, that once clients leave welfare, rural clients are more likely than urban ones to go back to welfare sooner (Weber and Duncan 2001). Although we were not able to address the issue of welfare recidivism in this evaluation, as discussed later in this chapter, we did find that welfare clients in rural areas took jobs that generally paid lower wages and offered fewer fringe benefits than the jobs of urban clients, conditions that make it more likely that rural clients will leave their jobs sooner than urban clients.

benefits and services. With higher program participation and service use rates, rural clients may be more likely to receive the help they need to make the transition to work. Third, as a result of their greater connectedness to the program, rural clients may be more likely to assimilate the program's work-oriented philosophy.

- **Although many clients worked, job loss and turnover were common.**

Over three in five clients were employed in the month prior to the survey, about one year later. One in five was not working and had last held a paid job more than a year before. Clients had worked an average of approximately 6 of the 12 months prior to the survey. One in four worked in 10 or more months during the past year (not shown).

Job loss and job turnover were fairly common among clients in both urban and rural areas. While over three-quarters of clients had worked at some time during the 12 months prior to the survey, one-third of that group was no longer working at the time of the survey. Clients who reported having worked during the past 12 months often cycled among several different employers. Of clients who reported having worked during the past year, 55 percent reported having had two or more employers, and nearly 20 percent had four or more.

- **Employed clients held low-wage jobs with few benefits. Urban clients held better jobs, on average, than rural clients.**

Wages are among the strongest indicators of job quality and successful transition to work. The average hourly wage among all clients employed in the month before the survey was $7.44 (Table II.2). Average monthly earnings were $1,033. As a comparison, the average TANF grant received by clients who received TANF in the month before the survey was $323. Comparing Nebraska's employed clients with other groups of working women nationally shows that these clients were doing at least as well as other low-income mothers in terms of wages (Loprest 1999). However, in the context of the entire labor market (for instance, considering all working women) the jobs these clients held were low-paying.

Clients who worked full-time earned somewhat higher wages and were more likely to receive fringe benefits than clients who worked part-time. About three-fifths of clients in both urban and rural areas worked full-time (35 hours or more per week) (Table II.2). Full-time workers earned somewhat higher wages than part-time workers, $7.42 an hour compared with $6.99, although the difference was not significant (results not shown). Full-time workers were also much more likely to receive benefits. For example, nearly two in three full-time workers were offered health insurance, compared with less than one in three part-time workers (results not shown).[7]

Urban clients generally held jobs with higher wages and better benefits than rural clients (Table II.2). Employed clients in urban areas held jobs that paid significantly higher wages than jobs of clients in rural areas. Urban clients also had higher monthly earnings and typically held jobs that were more likely to offer fringe benefits than the jobs held by rural clients, though they were no more likely to work full-time. While employed clients across

[7]Employers are but one of several potential sources of health insurance for clients and their children. Other sources include Medicaid (regular or transitional, as appropriate), Nebraska's state children's health insurance program, or other insurance plans. Clients' health insurance coverage is addressed in Chapter III.

TABLE II.2

WAGES, HOURS WORKED, EARNINGS, AND FRINGE BENEFITS OF EMPLOYED CLIENTS
(Percentages)

	Urban	Rural	All
Hourly Wages		***	
$5.00 or less	10	10	10
$5.01 to 6.00	12	27	17
$6.01 to 7.00	16	25	19
$7.01 to 8.00	21	22	21
$8.01 to 10.00	30	13	24
More than $10.00	11	4	8
(Average hourly wage)	($7.85)	($6.75)***	($7.44)
Hours Worked per Week			
Less than 20	11	7	10
20 to 34	29	35	31
35 or more	60	59	59
(Average hours worked per week)	(33.9)	(34.2)	(34.0)
Monthly Earnings		**	
Less than $600	20	29	23
$601 to 1,000	33	31	32
$1,001 to 1,400	20	25	22
$1,401 to 1,800	16	12	14
More than $1,800	11	4	8
(Average monthly earnings)	($1,098)	($926)**	($1,033)
Fringe Benefits			
Paid sick leave	44	36**	41
Paid vacation	54	48**	52
Health insurance	56	42**	51
Sample Size	**100**	**120**	**220**

SOURCE: Nebraska Client Survey. Tabulations are weighted.

We conducted t-tests (for continuous variables) and chi-squared tests (for categorical variables) to test for differences between urban and rural clients. Differences between urban and rural clients for this characteristic:

*Significantly different from zero at the .10 level, two-tailed test.
**Significantly different from zero at the .05 level, two-tailed test.
***Significantly different from zero at the .01 level, two-tailed test.

the state were most likely to hold jobs in service, sales, and administrative support, rural clients more often held jobs in the food service sector (24 percent versus 9 percent, not shown). Rural clients were also much more likely than urban clients to work during evenings or in jobs with irregular, split, or rotating shifts (21 percent versus 7 percent, not shown).

Overall, clients in jobs offering low wages and few fringe benefits were less likely to stay employed during the follow-up period (Ponza, Meckstroth, and Faerber 2001). This group includes many rural clients and part-time workers. While clients in higher-quality jobs tended to stay in them longer, better jobs did not necessarily cause clients to stay employed longer. Still, knowledge by case managers of the "quality" of the initial jobs taken by clients as indicated by wage rates and benefit structure can be an effective tool for targeting job retention services to those most likely to need them.

- **About two in three clients lived in households with monthly incomes below the federal poverty guidelines; the poverty rate was significantly lower among clients who had left welfare and were working.**

Many clients struggled to support their families on limited incomes. On average, clients reported monthly household income from earnings (their own and earnings of other adults), TANF, and food stamps of $1,193 during the month prior to the survey (Figure II.7).[8] Median monthly household income from these four sources equaled $934 (results not shown). About 1 in 10 clients reported household incomes from these four sources in the month prior to the survey to be less than $417 (which translates into an annual income of $5,000), and 4 in 10 reported incomes less than $833 ($10,000 annually).

Most welfare and recent former clients were poor. Two-thirds of all clients in the sample reported monthly income from earnings, TANF, and food stamps in the month before the survey to be below the U.S. Department of Health and Human Services (DHHS) poverty guidelines for the size of their household (Figure II.8). The poverty levels we report are based on DHHS guidelines for year 2000.[9,10] Many clients were in extremely poor

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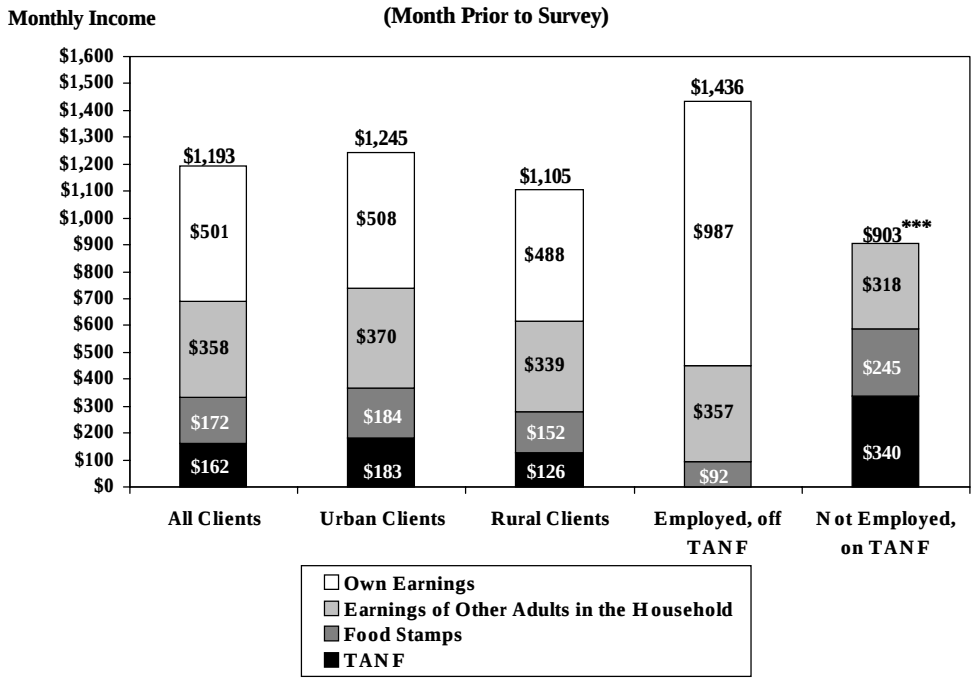
[8]Our measure of income is total household income received from four major sources—client's own earnings, earnings of other adults in the household, TANF, and food stamps—*in the month prior to the survey*. These sources have been shown in other studies to represent more than 85 percent of the total income of current and former welfare clients (Rangarajan and Wood 1999). Nonetheless, the measure will understate income received during the past month for some clients, because it does not include income from all sources. For instance, our measure of monthly household income does not include the value of any earned income tax credits (prorated on a monthly basis) that families may have been eligible to receive, nor does it include income from child support payments. Approximately half the clients reported receiving the Earned Income Tax Credit in the tax year prior to the survey; and about one-fifth received child support payments.

[9]There are two slightly different versions of the federal poverty measure: (1) the poverty thresholds, and (2) the poverty guidelines. Both measures establish money income thresholds that vary by characteristics of the family. The family's income is then compared to the threshold to determine who is poor. If a family's total income is less than that family's threshold, then that family, and every individual in it, is considered poor. The *poverty thresholds* are the official measure of poverty updated each year by the U.S. Census Bureau; the poverty thresholds take into account both family size and composition (presence and number of children under age 18) when setting a money income threshold for poverty. The *poverty guidelines* are the other version of the federal

(footnote continued)

FIGURE II.7

AVERAGE MONTHLY INCOME FROM EARNINGS, TANF, AND FOOD STAMPS (Month Prior to Survey)



SOURCE: Nebraska Client Survey. Tabulations are weighted.

***Differences between employed, off TANF and not employed, on TANF groups for monthly income were statistically significant from zero at the .01 level, using a two-tailed test. The rural-urban difference was not statistically significant.

households. Over one-quarter were in households with incomes less than 50 percent of the poverty level.

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poverty measure. They are issued each year in the *Federal Register* by the Department of Health and Human Services (DHHS). The poverty guidelines are a simplification of the poverty thresholds in that they take into account family size but not composition to establish poverty thresholds. In general, the poverty thresholds do not differ from the poverty guidelines by more than $100 or $200 dollars for a given family size. Our analysis of poverty in this report is based on the DHHS poverty guidelines. We also conducted the poverty analyses using the poverty thresholds--the results were essentially the same.

[10]Based on the poverty guidelines, for instance, a family of three (one adult and two children) is considered to be in poverty if its monthly income is below $1,145 ($13,738 annually); and a family of four (one adult and three children) is poor if its monthly income is below $1,467 ($17,603 annually). The poverty guidelines are based on annual, not monthly, income. Because the poverty statistics presented in this chapter are based on monthly income, which is more sensitive to short-term fluctuations than annual measures, they may not accurately reflect the poverty status of clients' families in the past year. However, because of recall error, it was not possible to use the survey's measure of annual income.

The income figures and poverty measures reported include income from food stamps, though poverty rates are sometimes calculated without them. Excluding food stamps, average household income among clients was $1,021, and 74 percent of clients were below 100 percent of poverty, based on income received from earnings (both of clients and of other adults in the household) and TANF in the month prior to the survey.

Income among urban clients was somewhat higher and poverty somewhat lower, compared with rural clients (Figures II.7, II.8). The monthly household income of urban clients was higher than that of rural clients, but not statistically significantly so.[11] Although poverty is prevalent for both urban and rural clients, urban clients were somewhat more likely than rural ones to have household income that was 150 percent of poverty or above.

The incomes of clients who had left TANF and were working at the time of the survey were substantially above those of clients who remained on TANF (Figure II.7). Although many were poor, based on income reported during the prior month, a significantly smaller fraction of clients who were employed and off TANF were poor than were those still on TANF and not employed (Figure II.8).

- **Many eligible clients did not take advantage of the Earned Income Tax Credit as a way to increase their income.**

Although the federal Earned Income Tax Credit (EITC) is an important source of assistance for working families—it increases the amount of income that families can keep—many eligible clients did not take advantage of it. Less than three-fifths (56 percent) of eligible clients reported applying for or receiving the EITC in the most recent tax year (results not shown).[12,13] Rural clients were more likely than urban ones to be poor, but they were also more likely to use the EITC. Sixty-four percent of eligible rural clients reported applying for or receiving the EITC, compared with 51 percent of urban clients. This difference may reflect greater efforts by program staff in rural areas to promote awareness of the EITC among their clients.

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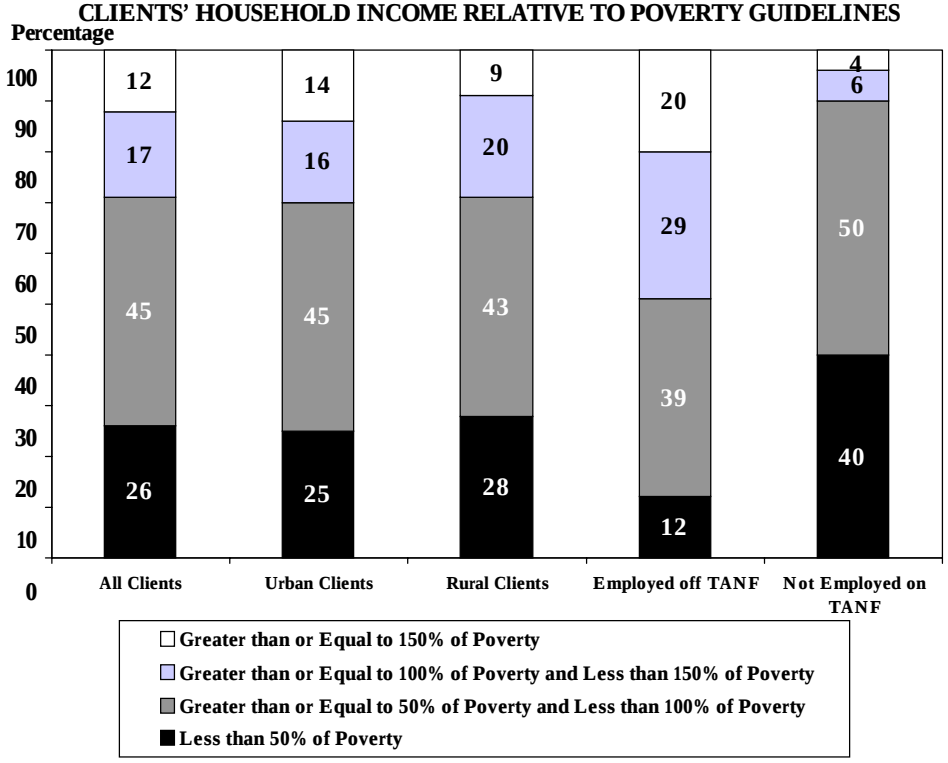
[11]Median household income from these sources during the month prior to the survey for urban and rural clients was $941 and $927, respectively.

[12]Ponza, Meckstroth, and Faerber 2001 estimated that 78 percent of Nebraska's welfare clients were likely to be eligible for the EITC. Eligibility depends primarily on the amount of a family's earned income. Based on income, working families qualified for the EITC for tax year 1999 (the year relevant for the Nebraska client survey) if they earned income and met one of the following conditions: (1) they had no qualifying children, and their earned income and modified adjusted gross income (AGI) totaled less than $10,200; (2) they had one qualifying child, and their earned income and modified AGI totaled less than $26,928; or (3) they had more than one qualifying child, and their earned income and modified AGI totaled less than $30,580. The survey collected information on the monthly earned income of both clients and other adult household members. It also asked clients how many months they had worked during the past year and what the hours worked and wages were of their current or most recent job. Using all this information, total annual earned income was estimated for clients who worked during the past year and for the other adult members of their household. Then this information, along with the EITC eligibility guidelines by family size, was used to estimate the proportion of clients who were likely to be eligible for the EITC.

[13]This estimate may undercount the proportion of likely eligible families who received the EITC. Because many low-income workers do not prepare their own taxes, some EITC recipients may not be aware that they received the tax credit. For example, recent estimates of the proportion of TANF clients in New Jersey who received the EITC adjusted for this type of undercounting and found that EITC participation increased by 9 percentage points as a result (Rangarajan and Wood 2000).

FIGURE II.8

CLIENTS' HOUSEHOLD INCOME RELATIVE TO POVERTY GUIDELINES



SOURCE: Nebraska Client Survey. Tabulations are weighted.

NOTE: Figure refers to the household income from clients' own earnings, earnings of other adults, TANF, and food stamps, in the month prior to the survey.

OBSTACLES IN RELATION TO EMPLOYMENT

The obstacles that clients face may influence their ability to get and stay employed. Although obstacles tend to influence clients from different places in different ways, overall, a wide body of national- and state-level research suggests that the obstacles that welfare clients face do make it difficult for them not only to obtain employment, but also to stay employed and achieve long-term economic independence (Olson and Pavetti 1996; Johnson and Meckstroth 1998; and Danziger et al. 1999). Moreover, when clients face multiple obstacles, their likelihood of working regularly is markedly reduced (Olson and Pavetti 1996). In this section, we examine how the specific challenges of Nebraska's clients relate to their employment experiences.

- **Clients with employment obstacles--such as low skills, serious health and other personal and family challenges, and logistical needs related to child care and transportation--were significantly less likely to work.**

Single mothers with low skills, and those facing serious personal and family issues, were less likely to be working at the time of the survey than those without such barriers. Women

with low basic skills, learning disabilities, mental or physical health problems, child and dependent care or transportation problems, or low self-efficacy/control were significantly less likely to work at least 20 hours a week than those without such barriers (Ponza, Meckstroth, and Faerber 2001). For instance, only 30 percent of clients with poor skills (that is, less than a high school diploma/GED or little or no work experience) were working at least 20 hours a week at the time of the survey, compared with 58 percent of those with good skills. Just 19 percent of women who reported their health as "poor" were working 20 hours or more, compared with 52 percent of women who reported better health. Strong associations between potential barriers and clients' current employment were equally true for urban and rural clients (results not shown).

- **Clients still on TANF and not working faced more obstacles than clients who had left TANF for work.**

Clients who remained on TANF and were not working faced considerably more obstacles to employment than did those who had left welfare for work by the time of the survey. For instance, 55 percent of clients who were on TANF and not working at the time of the survey had low skills, compared with just 19 percent of clients who had left TANF and were employed (Table II.3). Clients who remained on TANF and were not working were also more likely than those employed and off TANF to report, for example, being in poor physical health, experiencing physical domestic abuse, and facing transportation problems (Table II.3). They were also more likely to face multiple obstacles, including serious personal or family problems.

In general, employed clients off TANF faced fewer obstacles and were less likely to have faced serious personal or family issues than those clients on TANF and not working. These findings suggest that those clients still on TANF, especially those not working, may have a difficult time successfully leaving welfare for work unless their skill deficiencies and other barriers are addressed.

TABLE II.3

PREVALENCE OF POTENTIAL OBSTACLES TO EMPLOYMENT[a]
(Percentages)

	Employment-TANF Status	
	Employed, off TANF	Not Employed, on TANF
Low Skills	19	55***
Learning Disability	11	24**
Major Depressive Disorder	25	36**
Alcohol or Drug Abuse Problems	13	21*
Physical Health Problems	4	23***
Domestic Physical Abuse	7	17**
Low Self-Efficacy/Control	4	5
Past Criminal Record	9	11
A Child or Elderly Dependent Has Health Problems	29	36*
Transportation Problems	9	17*
Child Care Problems	29	38*
Number of Barriers		
0	22	9**
1	36	19
2 to 3	33	35
4 to 5	7	31
6 or more	2	5
(Average number of barriers)	(1.6)	(2.7)
Prevalence of Selected Combinations		
Low skills *and* major health or domestic abuse[b]	9	41***
Good skills, but major health or domestic abuse[b]	46	32**
Low skills only	9	14
Child or dependent care or transportation only	9	5
Sample Size	**162**	**106**

SOURCE: Nebraska Client Survey. Tabulations are weighted.

[a] Problem occurred during the past 12 months, except for the alcohol or drug abuse problem, which may have occurred more than 12 months ago.

[b] Major health problems refer to mother's physical health problems, major depressive disorder, or alcohol or drug abuse problems, learning disability, or having caretaker responsibilities for a child or other household member with a health or behavioral problem.

We conducted t-tests to test for differences between these subgroups of clients for these characteristics:

*Significantly different from zero at the .10 level, two-tailed test
**Significantly different from zero at the .05 level, two-tailed test.
***Significantly different from zero at the .01 level, two-tailed test.

CHAPTER III

STRATEGIES TO PREPARE CLIENTS FOR WORK AND ADDRESS THEIR OBSTACLES

Nebraska's Employment First program is designed to assist welfare clients in their transition to work and their efforts toward economic independence by helping them improve their skills, get and keep a job, and address their employment-related needs and obstacles. Although client participation in program activities and use of supportive services is high in Nebraska, many clients—including those who face serious employment obstacles—do not work, participate in work-related activities, or receive needed services. Addressing clients' unmet needs and improving the methods used to deliver services pose numerous programmatic challenges.

In this chapter, we assess the implementation of the Employment First program, including the provision of case management services, client participation in and the provision of employment preparation activities, and the use and delivery of services to address personal and family challenges and logistical needs. We underscore similarities and differences between Nebraska's urban and rural areas, and highlight program issues most important for addressing the needs of clients who remain on the caseload. This assessment and the program recommendations that follow from it can help to shape policy priorities for the next stage of welfare reform in Nebraska.

IMPLEMENTATION OF CASE MANAGEMENT SERVICES

Local welfare offices in Nebraska use a common Employment First program model that centers on individualized case management services. Assessing the success of case management service delivery involves focusing on how well local offices and their staff prepare clients for work and support them in their transition to work. Although important challenges remain, local sites have made significant progress in improving the delivery of services in recent years. In this section, we examine the case management approaches used in Nebraska, assess important indicators of case management performance, and highlight

ongoing implementation challenges. In so doing, we identify key ways in which case management has improved and draw out important challenges that remain.

- **Welfare staff in many local offices provide "integrated case management services," which promote individualized and continuous service delivery but require a broad set of staff skills.**

Many of Nebraska's local welfare offices use an integrated case management service delivery model. Using this approach, Nebraska HHSS staff provide individualized case management services, as well as traditional services related to determining eligibility for program services and authorizing benefits. They generally manage a total of 60 to 75 active TANF cases, plus 15 to 25 transitional TANF cases. Many case managers in Nebraska specialize in TANF cases and do not serve other public assistance clients.[1] Case management functions include an initial client orientation, a structured client assessment, the development of an individualized plan for self-sufficiency, referrals to employment activities and supportive services, and ongoing follow-up support for at least three months after a client's transition off cash assistance.[2] Eligibility and benefit authorization includes numerous tasks; those associated with child care and food stamps are particularly time-consuming.[3]

Through the linking, or integration, of the case management and eligibility functions, Nebraska aims to provide individualized, consistent, and well-coordinated services. Research suggests that integrated case management may lead to greater client participation in work-related activities, possibly because case managers are better positioned to encourage client participation since they also control the authorization of benefits and the application of sanctions (Brock and Harknett 1998). Integrated case management also fosters continuity in service delivery since the case manager provides support to clients both during their time on cash assistance and for a period of time after they transition to work.

With welfare reform, the new integrated case manager position expanded the responsibilities of front-line staff, requiring much broader skills and knowledge than before. Before welfare reform, many front-line staff were responsible only for tasks associated with determining eligibility and authorizing benefits. With welfare reform, many staff assumed new, employment-focused case management responsibilities. To succeed as an integrated case manager, a person must have exceptional organizational and time management skills, a

[1]This is generally the case except in Nebraska's numerous small rural offices, such as Columbus, where the overall TANF caseload is quite small and workers by necessity serve both TANF and non-TANF cases.

[2]Case managers statewide provide transitional support to clients, including maintaining their eligibility for transitional benefits. Rural case managers provide transitional support over a longer period of time than urban case managers. Urban case managers, in contrast, transfer their transitional cases to other workers sooner. In Scottsbluff, case managers provide support for up to a year after clients exit TANF; in Columbus they do so until a client's public assistance case is closed. In contrast, case managers in Omaha provide transitional support to clients for three months after they exit TANF, and in Lincoln they do so for six months.

[3]Program eligibility tasks include determining eligibility for TANF, Medicaid, child care, food stamps, and other programs; conducting redeterminations of eligibility; authorizing payment of benefits; imposing sanctions; processing income, assets, and other household changes; and identifying fraud and abuse.

strong working knowledge of TANF and other policies and procedures, and strong assessment, problem-solving, and interpersonal skills. They must also have knowledge of community resources and how to gain access to them.

Although local HHSS offices made significant progress in preparing staff to provide employment-focused case management during the early stages of welfare reform, they also faced many challenges. Despite the high performance of some staff, limits in the experience, knowledge, and skills of other staff often made it difficult to provide the intensive and individualized services that the program espouses and to do so efficiently (Meckstroth, Pavetti, and Derr 1999). Exacerbating these early difficulties, limited tools and guidelines were provided to case managers to help standardize service delivery and ensure high quality. Moreover, since client cases generally were not allocated to case managers based on their level of complexity, the most difficult cases were sometimes assigned to the least experienced and skilled workers. Later in the chapter, we explore ways in which the Employment First program has addressed some of these early implementation issues.

- **To manage their TANF workload, the urban areas draw heavily on contracted case managers for some services.**

Urban case managers have larger TANF caseloads, and possibly larger workloads, than rural ones. In many rural parts of the state, case managers carry from 75 to 80 TANF cases, including about 15 to 20 transitional cases.[4] Urban case managers in Omaha carry similarly-sized caseloads but fewer transitional cases, which may make their workloads greater than those of their rural counterparts. In Lincoln, average caseload sizes are higher: 90 to 95 TANF cases, including 20 to 25 transitional ones. Urban case managers generally have more long-term TANF recipients, which may make their workloads more challenging. These factors may be offset, however, by the greater availability of contractors and community resources in the urban areas. That is, urban case managers may more often refer clients to other providers for services, whereas rural case managers may be more likely to provide services directly to clients.

The urban welfare offices continue to use contracted case managers to meet some of their workload needs. Statewide, institutional constraints on hiring new staff have necessitated the use of contractors in some cases. In Omaha, two private organizations—Goodwill Industries and the Urban League—provide case management services for about half the TANF caseload. At the time of the second-round visit, Omaha was considering contracting out case management for more of its TANF clients. The contracted case managers in Omaha are not integrated case managers; that is, they do not perform tasks related to eligibility and benefit authorization (these tasks are handled by HHSS eligibility workers). Lincoln, at the time of the second round visit, had not used contracted case

[4]This caseload size applies to rural case managers who specialize in and carry only TANF cases. It does not apply to workers who serve both TANF and non-TANF cases, as is the situation in many of Nebraska's small rural offices. In these latter situations, workers' overall caseloads are larger (between 150 and 200 clients), but they have fewer TANF cases (which are generally much more time-consuming than other cases).

managers but planned to do so. Like Omaha, by contracting out case management, Lincoln hoped to provide more efficient and consistent services to all its clients.

Although the rural offices generally rely on HHSS case managers, they are increasingly using contractors to provide some case management services.[5] For example, some rural offices involve contractors in running group orientation for TANF clients. In addition, rural areas often use contractors to assist case managers with providing supportive service payments and monitoring clients' participation and progress. Like the urban offices, the rural offices use contractors as a way to better manage their TANF workload.

There is no evidence to suggest that one approach to case management—integrated case management provided by HHSS staff or contracted case management—is better for Nebraska's welfare offices; both have advantages and drawbacks. An advantage of using contractors is that performance incentives may be built into contracts to encourage the prompt completion of key tasks, such as Self-Sufficiency Contracts. Moreover, contractors offer organizational strengths that can be used to target services to hard-to-employ clients. For example, Omaha's hardest-to-employ clients are referred to the Urban League for case management. In contrast, the primary advantage of HHSS integrated case managers is that they provide both eligibility and case management functions, which improves the coordination of services and the continuity of assistance provided to clients. Overall, it is not clear whether HHSS or contractors provide better services.[6] However, it is clear that, given the institutional constraints on hiring new staff, using contractors can help ensure that key program services are provided to all clients.

- **Local sites have improved their capacity to complete Self-Sufficiency Contracts with clients in a timely way. Rural clients were more likely than urban clients to complete a contract.**

Clients work closely with their case manager to develop and implement an individualized Self-Sufficiency Contract. The extent to which clients sign contracts is one measure of the success with which case management services are delivered. A client's contract requires participation in some type of employment-related or educational activity. It also outlines the types of supportive services that the client will need to address barriers to employment. Activities and services included in the contract are based on an in-depth assessment conducted by the case manager. It is expected that a client's contract be developed and signed within 90 days after an application for cash assistance is completed.

In recent years, the local sites have improved the extent to which they complete Self-Sufficiency Contracts with TANF clients. At the time of the first-round visits in winter 1999, many eligible TANF clients had not signed a contract, especially in the urban areas (Meckstroth, Pavetti, and Derr 1999). At that time, many case managers found it difficult to complete all their work in a timely manner. However, since then, information collected

[5]In addition, after the process study data collection was completed, one rural area in the former Southeast service area began contracting all its case management services to a private service provider (Concera Corporation, formerly Curtis and Associates) during spring 2002.

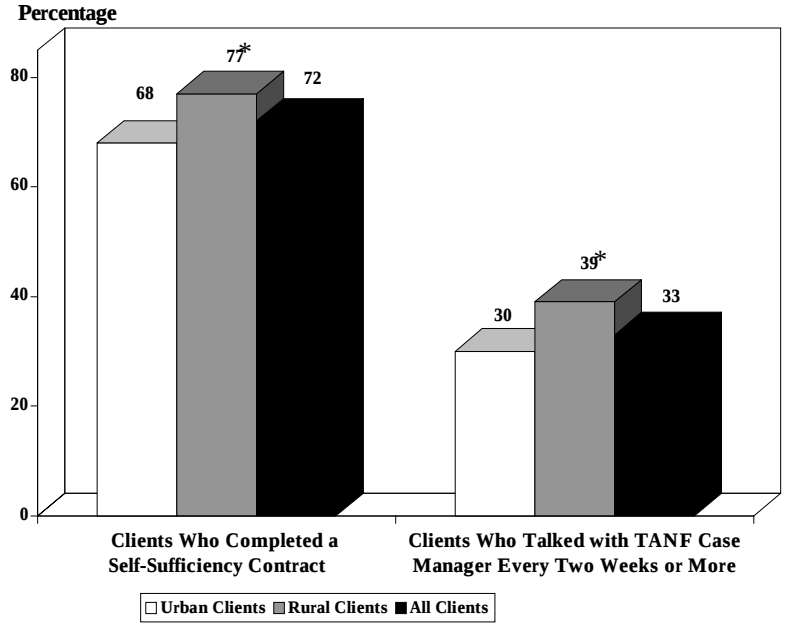
[6]Because sample sizes were small, this question could not be addressed through the client study data.

from the second-round site visits during spring and summer 2001 suggests that more clients have signed contracts than before. Case managers are now more comfortable with the new responsibilities they have assumed since welfare reform and thus are better able to manage their workloads. Moreover, as discussed later in this chapter, local offices have made organizational changes that have helped staff complete their responsibilities more efficiently.

A substantial majority of clients reported having completed a Self-Sufficiency Contract. At the end of 2000, about a year after the client study sample was drawn, over 7 in 10 single-mother TANF clients reported that they had worked with their case manager to develop and sign a contract (Figure III.1).[7] Clients in rural areas were significantly more likely to report having signed a contract: 77 percent, compared with 68 percent in the urban areas. The lower rate in the urban areas may reflect, in part, the higher level of case management experience among rural staff. The reasons behind urban and rural differences in clients' program participation are discussed later in this chapter.

FIGURE III.1

CLIENTS' COMPLETION OF SELF-SUFFICIENCY CONTRACTS AND CONTACTS WITH CASE MANAGERS



SOURCE: Nebraska Client Survey. Tabulations are weighted.

*Significantly different from zero at the .10 level, using a two-tailed test.

[7]We do not know to what extent the proportion of clients with signed contracts increased over time (HHSS does not track this information at an aggregate level). We can, however, estimate based on interviews with Employment First administrators and case managers that the proportion of clients with signed contracts did increase between the first- and second-round site visits.

For a variety of reasons, clients may not have reported completing a contract. Some may have left TANF for work before the contract development process was completed.[8] Others may have been sanctioned for nonparticipation. Still others may not have been contacted by an Employment First case manager to begin the contract development process. Finally, some clients may not have remembered developing or signing a contract.

- **Although many clients meet regularly with their case managers and are satisfied with program services, there is wide variation in how well individual case managers deliver services.**

Clients meet regularly with their case manager and rate the quality of Employment First program services highly. Most clients meet monthly with their case manager, some more frequently. One-third of clients reported through the client survey that they were in touch with their case manager at least once every two weeks (Figure III.1). About one-fifth reported being in touch with their case manager at least once each week (not shown). In addition, two-thirds reported being satisfied with the services and support their case manager provided. About three-quarters said the Employment First program does a good, very good, or excellent job in terms of teaching job readiness skills and providing needed support services. Approximately three-fifths thought the program did a good, very good, or excellent job in helping them find a job or get a better one. Clients in rural and urban areas were equally satisfied with the program.

Client Comments on Employment First and its Case Management Services

"The program was encouraging and motivating."

"[My case manager] gave me the motivation and confidence to [get a job]."

"[My case manager] believed in me when no one else did…. I didn't have support anywhere else. Having one person [supporting me] made a world of difference."

Although the quality and consistency of service delivery has improved in recent years, there are still limitations in some case managers' skills and knowledge. Based on a qualitative assessment of service delivery, it appears that case managers vary across five key dimensions: (1) their ability to manage their workload and provide individualized support, (2) the information they share with clients during the orientation process, (3) their ability to assess clients' interests and needs, (4) the extent to which they authorize supportive services, and (5) their knowledge about community resources. Variation in the quality and consistency of services creates inequity in the services provided to individual clients.

[8]Most clients in the sample would have been required to develop and sign a contract (unless they had both entered and exited TANF within a 90-day period that closely coincided with the survey sampling period). However, we cannot easily identify clients who would have been required to develop a contract, because it is not possible through the survey to examine when clients exited TANF. However, an examination of the length of clients' current TANF spell based on administrative records shows that fewer than one-fifth of clients had been on TANF less than three months at the time of sampling. An unknown fraction of these clients may have exited TANF very quickly after sampling and hence might not have been expected to sign a contract.

Periodic training sessions have been held in recent years in an effort to improve the quality and consistency of service delivery in recent years. The Central HHSS Office sponsored a TANF refresher training course for HHSS case managers that was generally perceived as helpful in strengthening case managers' understanding of TANF and related policies and procedures. Periodic group meetings among HHSS case managers are used to discuss program procedures and policy changes and share information. According to case managers, frequent opportunities to communicate with supervisors and share information with other case managers are critical supports to help them perform their jobs successfully.

In some local offices, supervisors conduct periodic reviews with case managers to monitor how services are provided and identify resources and supports case managers may need to do their job more effectively. Although annual staff performance reviews are not conducted in most parts of the state, supervisors in many sites provide regular feedback to their staff. For example, in Omaha supervisors generally provide monthly feedback to case managers based on reviews of client cases. Supervisors in Columbus conduct half-hour monthly meetings with each case manager to provide feedback and to discuss issues relevant for working with TANF clients.

- **Although case managers continue to face serious workload challenges, local offices have made recent staffing changes that have helped to improve service delivery.**

Case managers' jobs are very demanding. Case managers in both urban and rural areas perceive that clients today face more difficult needs and barriers than in the past. As a result, the time and intensity of services required to help clients get and keep jobs has increased. Moreover, the time spent performing eligibility functions, especially child care authorizations and food stamp recertifications, is extensive and greater than in the past.[9] Case managers may spend up to three-quarters of their time performing eligibility tasks, which limits their ability to work individually with clients. In addition, job vacancies have increased individual workloads, as responsibilities have been redistributed among existing staff given institutional constraints on hiring new staff. This problem is particularly important in the urban areas, where staff turnover is common. Overall, the magnitude of the TANF workload influences worker stress, staff turnover, and the quality of services delivered. Given the challenges involved, often only the most skilled and experienced case managers are able to provide appropriately intensive, individualized, and timely services to clients.

Several improvements in how staff resources are organized have helped to improve service delivery in some areas, both urban and rural. First, Scottsbluff/Gering created a specialized intake unit, relieving case managers of the responsibility of conducting intake interviews. Omaha created a similar intake unit, which also helps to assign clients to the appropriate case management unit based on their level of need. A second strategy for improving workload management is found in Columbus, where administrators use a system

[9]In response to a high food stamps error rate, the Central HHSS office implemented several changes related to food stamp recertifications, making them more frequent, detailed, and complex. As a result, case managers are required to review food stamp eligibility every three months rather than every six months, and gather more documentation from clients than in the past.

to weight cases by their level of complexity and assign them to case managers equitably. Similar workload allocation efforts are ongoing in other sites. Third, through a contract with Curtis and Associates, the Lincoln office offers a group orientation program to clients.[10] Moreover, several communities in the rural Southwest Service Area offer an intensive group orientation and assessment program. Group processes, by reducing the workload of case managers, increase the efficiency of service delivery and the consistency of the information and services provided to clients.

Improving Workload Management Through Group Services

Providing initial case management services in groups has helped some local areas provide timely and consistent services to clients. Through a contract with Curtis and Associates, the Southwest Service Area operates a one-and-a-half week group orientation and assessment program twice a month. Key topics and activities include (1) an overview of the Employment First philosophy and requirements, (2) needs-based and vocational assessments, (3) a one-day life skills training workshop, (4) presentations on community resources and services, (5) domestic violence awareness training, (6) employer presentations about job opportunities and expectations, and (7) a career planning workshop. After the program, clients meet individually with case managers to begin developing their Self-Sufficiency Contracts.

- **Recent changes to the N-FOCUS system have improved workload efficiency, but the system's limited reporting capacity makes it difficult for staff to manage and monitor the TANF caseload.**

Nebraska's N-FOCUS management information system has had unintended negative consequences on case managers' workloads. Implemented in 1998, N-FOCUS was designed to improve the efficiency of service delivery to TANF and other clients by automating the eligibility determination process for cash assistance, food stamps, Medicaid, child care, and other public benefit programs. In actuality, N-FOCUS was time-consuming to navigate and did not provide case managers and other staff with the automated support they needed to manage their work (Meckstroth, Pavetti, and Derr 1999).

Changes to N-FOCUS during the past two years have improved staff efficiency in determining client eligibility for services and authorizing benefit payments. N-FOCUS was originally designed with a decision-making component whereby case managers pass through a series of screens and prompts as they input client information. Recently, this component was removed, which gave case managers more control in navigating the system and inputting changes to client records. Although the revised system provides less guidance for staff than before, the changes significantly reduced the time it takes to input client information into the

[10]In February 2002, after data collection for the evaluation was completed, the senior management of Curtis and Associates changed, as did its name. At that time, the organization was called Concera Corporation. In June 2002, the senior management and name changed again, to Affiliated Computer Services (ACS), Inc. In the remainder of this report, we refer to this organization as Curtis and Associates, since that was its name at the time of the evaluation's data collection.

system. In addition to statewide changes to N-FOCUS, local office administrators have explored ways to use N-FOCUS to improve service delivery. Some local offices have expanded the functions of N-FOCUS to track and coordinate supportive service payments. For example, in Omaha, information from contracted service providers is now incorporated into the database so that all transportation and child care vouchers are entered and can be tracked, which helps coordinate payments and promote effective service delivery.

The utility of N-FOCUS for managing and monitoring the TANF caseload is still limited. N-FOCUS lacks the capacity to generate management reports that summarize the number and percentage of clients who have signed Self-Sufficient Contracts, participated in program activities, received services, are approaching time limits, or were sanctioned. Instead, most local offices rely heavily on manual tracking of caseload data, which is tedious and time-consuming. Overall, the lack of reporting capability through N-FOCUS hampers the ability of administrators to review caseload data regularly, assess staff performance, and ensure successful program implementation.

PARTICIPATION IN EMPLOYMENT ACTIVITIES

Welfare clients need different types of assistance to make the transition to work. Once clients become employed, many continue to face serious problems that make it difficult to manage workplace challenges, maintain employment, and advance to better jobs over time. In this section, we examine the program and community infrastructure used to provide employment–related services to clients and the extent to which clients participated in various types of employment and educational activities and received ongoing job retention support. We also highlight gaps in participation and discuss important urban-versus-rural differences.

- **Basic employment preparation opportunities are available to clients, but activities that are often appropriate for hard-to-employ clients are limited.**

Local welfare offices rely on contracted service organizations to provide basic employment preparation services. Throughout the state, local HHSS offices have service contracts with organizations such as Curtis and Associates and Goodwill Industries. Numerous other contractors operate in the urban areas. The contractors focus on providing job search assistance and job readiness and life skills training to clients.

Improvements to the employment contracts were planned at the time of the second site visits. In mid-2001, both urban and rural offices planned to modify their contracts to improve their offerings in life skills training, structured job search assistance, and job retention support. Furthermore, to help reduce the complexity of contract management, many local offices planned to centralize their contracts with a single service provider. In turn, the single provider would have the option of subcontracting services to other providers.

The workforce development system also offers employment-related services to the welfare population, but relatively few welfare recipients use these services. Through an

interagency agreement between the Nebraska HHSS and the Nebraska Department of Labor, Workforce Investment Act (WIA) providers in many places offer vocational assessment services and education and training opportunities—such as work experience and on-the-job training (OJT)—to welfare recipients and other low-income people. Specialized employment-related assistance is also available for some clients through the WIA's Welfare-to-Work (WtW) initiative. However, referrals to these workforce development providers are low, partly because recent changes in some of the contractors led to disruptions in service delivery and partly because of ongoing cross-agency coordination challenges. Nevertheless, some local areas have made important strides to coordinate services better with the workforce development providers.

A One-Stop Center to Increase Collaborative Service Delivery

HHSS and Nebraska's Department of Labor recently collaborated to implement a pilot One-Stop Center in the Central Service Area. The center represents an important step in integrating the delivery of services across agencies. Along with staff from HHSS and the workforce development providers, representatives from many other organizations are colocated in the center, including Curtis and Associates, Goodwill Industries, Vocational Rehabilitation, and Central Nebraska Community Services.

Local HHSS offices also collaborate less formally and on a limited basis with other organizations that can help meet the employment-related needs of TANF clients. These include, in some sites, community colleges, adult education agencies, and the Vocational Rehabilitation agency. Not surprisingly, a greater number of employment, education, and training providers are available in the urban areas. However, the rural areas have been more likely to forge meaningful partnerships with these types of providers.

Overall, employment preparation opportunities for hard-to-employ TANF clients are inadequate in both urban and rural areas of Nebraska. Some hard-to-employ clients with serious or multiple barriers may benefit from specialized opportunities designed to enhance basic job skills—opportunities such as supported work, work experience, and OJT. However, few such opportunities are available to TANF clients in Nebraska. This paucity appears to be due, in part, to weaknesses within Nebraska's workforce development system. It is also related to local HHSS offices' weak relationships with the workforce development providers and, to a lesser extent, with other specialized providers. Many local HHSS offices also have limited contacts with employers and industry groups, which makes it hard to develop strong connections to local labor markets. To compensate for limits in available employment activities and services, some local offices have recently begun working with their employment contractors to develop work experience and OJT opportunities for clients.

- **Compared with clients in other states, a high fraction of Nebraska's TANF clients worked or participated in employment preparation activities.**

Clients are required to participate in some type of employment-related or educational activity ("employment preparation activity"), unless they are able to find employment on their own. These activities, which are documented in their Self-Sufficiency Contracts,

include primarily job search assistance, job readiness and life skills training, basic or postsecondary education, work experience, and vocational training.

Most clients reported that they had participated in Employment First activities. About 6 in 10 reported that they had participated in some type of employment preparation activity through Employment First during the past year (Table III.1).[11] Moreover, at the time of the survey, most clients were currently working or participating in employment preparation activities. Nearly 6 in 10 reported that they were spending at least 20 hours per week either working or participating in an employment preparation activity.

TABLE III.1

CLIENT PARTICIPATION IN EMPLOYMENT PREPARATION ACTIVITIES

(Percentages)

	Percent
Participated in EF Educational or Employment Activity During the Past Year	56
Currently Working or Participating a Total of 20 Hours or More per Week	56
Types of EF Employment Preparation Services Received During the Past Year	
Educational services	17
Help find or pay for a class to complete GED	7
Help find or pay for other education or training	12
Employment services	46
Job search training and assistance	34
Job readiness training (information on proper job-related dress, behavior, and attendance)	25
Help get you OJT or unpaid work experience	12
Currently Participating in Any Educational or Employment Preparation Activity[a]	32
Received Sanction During the Past Year	19
Actively Searched for a Job During the Past Year	73
Received a Job Offer During the Past Year[b]	66
Sample Size	**412**

SOURCE: Nebraska Client Survey. Tabulations are weighted.

NOTE: EF = Employment First Program; GED = General Equivalency Diploma; OJT = On-the-Job Training.

[a]This includes activities outside the EF program.
[b]Calculated for those clients who searched for a job during the past year.

[11]Among clients with contracts, participation was higher (68 percent). Thirty-one percent of clients who reported *not* having a contract also participated in an employment activity during the past year.

Compared with TANF clients in other states, a high fraction of Nebraska's clients were working or participating in work activities. Although Nebraska's clients have exited welfare more slowly than clients in other states, Nebraska has successfully engaged many of them in employment preparation activities. An examination of recent federal TANF participation estimates shows that 63 percent of Nebraska's entire TANF caseload between October 1998 and September 1999 were either working or participating in employment activities, compared with 42 percent of TANF clients nationally (U.S. Department of Health and Human Services 2001). Moreover, Nebraska's participation rate was comparable to or higher than that of its neighboring states (U.S. Department of Health and Human Services 2001).[12]

Despite high overall participation rates, many hard-to-employ clients did not participate in employment-related activities. As shown in Chapter II, clients who both remained on TANF and did not work a year later had a high prevalence of barriers. These hard-to-employ clients were much less likely than other clients to be currently engaged in employment-related activities. Only 2 in 10 of these clients were working or participating at least 20 hours per week at the time of the survey, compared with 7 in 10 other clients. Clients with specific types of barriers were also significantly less likely to work or participate. For example, about two in five clients with low skills or major depressive disorder either worked or participated 20 hours or more per week, compared with over three in five clients who did not face these barriers.

- **Job search assistance was the most common employment activity. In addition, compared with other states, a substantial fraction of clients participated in education and training activities.**

Job search assistance was the most common activity in which clients reported participating. Over one-third reported through the client survey that they had received assistance searching for a job through Employment First (Table III.1). Most clients looked for work during the past year, regardless of whether they received job search assistance through Employment First. About three-quarters actively searched for a job or a better job during the past year (Table III.1). Of these, two-thirds reported that they received an offer. Most clients who looked for a job relied on informal search methods, such as answering newspaper ads (80 percent) and talking with friends and relatives (73 percent) (not shown).

[12]According to recent federal TANF estimates, 63 percent of Nebraska's remaining TANF caseload were working or participating in employment activities between October 1998 and September 1999, compared with 61 percent of Iowa's caseload, 60 percent of Kansas's, 58 percent of South Dakota's, 53 percent of Wyoming's, 43 percent of Colorado's, and 29 percent of Missouri's (U.S. Department of Health and Human Services 2001).

Job Search Training and Assistance to Help Clients Find Work

Job search training and assistance varies across local sites in duration, intensity, and structure, but generally includes help with writing resumes, completing job applications, obtaining job leads, and conducting interviews. Workshops may last up to three weeks and may require up to five days of participation a week. Clients attend workshops several hours a day and spend additional hours job searching. On-site resource rooms and periodic job fairs are also provided, and ongoing, individualized assistance may also be available, often from a job developer or TANF case manager.

A substantial minority of clients reported that they participated in job readiness training to help build life skills. One-quarter (25 percent) of clients reported receiving some type of job readiness training—instruction on proper job-related behavior, problem-solving skills, and other life skills. This type of assistance is typically provided by contractors through group-based workshops, or it may be integrated with structured job search training classes.

Job Readiness and Life Skills Training to Prepare Clients for the Workplace

Job readiness and life skills training prepares clients for the workplace by addressing topics related to health and wellness, appearance and demeanor, interpersonal skills, emotion management, time and resource management, problem-solving and decision making, parenting, self-esteem, substance abuse, cultural diversity, and job attitude and work ethic. Since it is often provided in a structured manner during standard business hours, it is designed to help clients adjust to workplace demands. Although it varies in structure and duration across the local sites, training may span several weeks and require clients to participate up to six hours each day.

The longest and most intensive workshop is offered in Omaha by the Urban League's Keys to Life Program. In addition, North Platte in the Southwest Service Area places a strong emphasis on job readiness and life skills training—it provides a one-day workshop to *all* clients as part of its standard Employment First orientation.

About one in five clients reported participating in educational activities, which is high compared with other states. Through the client survey, 17 percent of clients reported participating in some type of educational activity. Recent federal estimates show that among participating TANF clients in Nebraska, 23 percent took part in education or training, compared with 6 percent of clients nationally (U.S. Department of Health and Human Services 2001). Why do many clients in Nebraska participate in education and training activities? The Employment First program supports client participation in education and training and Nebraska generally offers a wide range of community and four-year colleges and vocational schools in its local areas. Program staff have developed relationships with these organizations and linked a notable fraction of clients to programs that they offer.

Supporting Education and Training Through Specialized Service Providers

Pathways, an educational assistance program offered through the University of Nebraska, provides a variety of services, sometimes in a residential setting, for TANF and other low-income people who are working toward a college degree or vocational certificate. Through a one-stop center, participants may obtain services such as child care, health care, food, housing, mental health care, and job placement assistance.

Through the client survey, about 1 in 10 clients reported having participated in subsidized work opportunities, such as OJT and unpaid work experience, opportunities designed to provide short-term vocational training and experience in a real work setting. Sometimes these opportunities also lead to permanent employment. Federal estimates show that few clients in Nebraska participate in such subsidized employment, compared with those in other states (U.S. Department of Health and Human Services 2001). This is due, in part, to the weak relationship between local HHSS offices and the workforce development providers. Exacerbating this difficulty, local HHSS offices have identified and developed few subsidized work opportunities for clients.

Although Nebraska does not, many other states offer other types of subsidized work opportunities for TANF clients, such as supported work placements. Supported work opportunities provide a closely supervised work environment that allows clients to assume more responsibility gradually. They often include on-the-job coaching and they may integrate specialized supportive services with workplace support. In Nebraska, however, supported work opportunities are generally not available to or accessed by TANF clients.

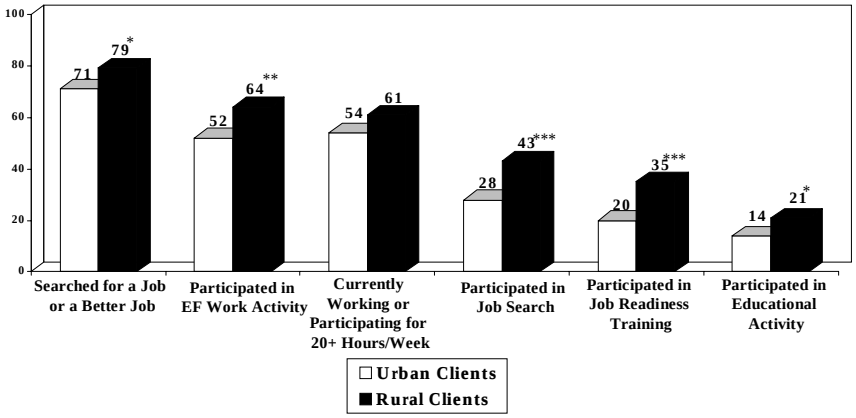
- **Only a small fraction of hard-to-employ clients participated in employment activities designed to help them prepare for the workplace and develop basic vocational and life skills.**

Job readiness and life skills training, work experience, and OJT may be suitable for many hard-to-employ clients with low skills and personal barriers such as mental health problems and learning disabilities. Further, remedial education and GED assistance are often appropriate for clients who lack a high school education. Low participation in employment activities by hard-to-employ clients is indicated by examining two subgroups: (1) clients still on TANF and not working at the time of the survey, and (2) clients with low skills (no high school education and limited work experience).

As one indicator of low participation among hard-to-employ clients, clients still on TANF and not working at the time of the survey were no more likely than other clients to participate in job readiness training, work experience, or OJT. About one-quarter of both groups participated in job readiness training, while about one-tenth of both groups held work experience or OJT positions. As a second indicator of low participation, only a small fraction of clients with low skills participated in activities designed to improve basic education and skills. Among clients still on TANF at the time of the survey, fewer than 2 in 10 with low skills participated in work experience or OJT. Only about 3 in 10 without a high

FIGURE III.2

CLIENT PARTICIPATION IN EMPLOYMENT PREPARATION ACTIVITIES BY URBAN/RURAL STATUS[a]



SOURCE: Nebraska Client Survey. Tabulations are weighted.

NOTE: EF = Employment First Program.
We conducted a t-test for the difference between the urban and rural clients. The difference for these characteristics:
*Significantly different from zero at the .10 level.
**Significantly different from zero at the .05 level.
***Significantly different from zero at the .01 level.

[a]Unless otherwise stated, all characteristics occurred at some point during the past year.

school education reported receiving help with GED preparation. Overall, these findings suggest that hard-to-employ clients, such as those with low skills and those who remain on TANF without working, might be better targeted for employment activities such as job readiness training, GED preparation, work experience, and OJT.

- **Rural clients were more likely than urban clients to participate in the Employment First program and they were better connected with staff and services.**

Rural clients were much more likely than urban ones to participate in Employment First (Figure III.2). Nearly two-thirds of rural clients participated in employment preparation activities during the past year, compared with just over half of urban clients. Rural clients were much more likely than urban clients to look for a job, receive job search assistance through the program, participate in job readiness training, and receive help finding or paying for education or training. In addition, rural clients were slightly more likely to be currently working or participating at least 20 hours per week. Although urban clients had lower rates of program participation, they were no more likely to be sanctioned (18 percent compared with 20 percent of rural clients).

Rural clients were in more frequent contact with case managers and other staff. Clients in rural areas talked more often with their Employment First case manager compared with clients in urban areas (Figure III.1). In addition, rural clients were significantly more likely to report being in regular contact with a staff person from another organization, such as Curtis and Associates (36 percent, compared with 26 percent of urban clients).

Assessing Differences Between Rural and Urban Clients

Despite facing comparable numbers and types of barriers, rural clients were more likely than urban clients to participate in employment and educational activities and to receive certain benefits and services, like the EITC and mental health and substance abuse treatment (discussed below). Rural clients were also in more frequent contact with program staff. They were less dependent on TANF and more likely to be employed a year later. Nevertheless, partly because of the weaker economic base in rural areas, rural clients were considerably less likely to find good-paying jobs with benefits and a little more likely to remain in poverty.

Why are rural clients more likely than their urban counterparts to participate, receive services, and work, despite having access to fewer opportunities and services?

- **More close-knit social fabric in the rural areas.** Perhaps because rural communities are smaller, closer-knit, and less transient, staff have stronger personal connections within local areas, which helps them develop strong partnerships with other providers and close relationships with clients. This close-knit social fabric may also facilitate a stronger work ethic among rural clients, by making them feel more accountable to community norms that support work and economic independence.

- **Less-complex service delivery system in the rural areas.** There are fewer service providers in rural areas, which minimizes "turf issues" and reduces adminsitrative challenges in cross-agency collaboration. Hence, it is less time-consuming for staff to develop strong organizational partnerships, maximize available resources, and connect clients with needed services.

- **More experienced case managers in the rural areas.** Staff turnover rates are lower in rural areas, which promotes better staff development over time. It may also be easier to hire well-qualified case managers in rural areas, since fewer competing job oportunities exist.

- **Smaller caseloads in the rural areas.** Rural case managers work with a somewhat smaller number of clients, which likely allows them to get to know clients better and provide more individualized services and support.

■ **To protect clients who may face ongoing challenges, a well-defined process is used to help ensure consistency and fairness in administering final sanctions and approving hardship exemptions.**

Case managers generally implement Nebraska's relatively strict sanction and time limit policies in a careful and fair manner, so as not to penalize clients when needed services have not yet been provided.[13] Staff use sanctions and time limits as tools to motivate clients to

[13]Nebraska uses a three-level sanction policy. Through a first-level sanction, clients lose cash assistance for their entire family until they comply with work requirements. Through a second-level sanction, families lose cash assistance for a minimum of 3 months, and through third-level sanctions for a minimum of 12 months. In terms of time limits, clients and their families may receive cash assistance for 24 out of every 48 months, for a total of five years.

participate in activities and services. They are careful not to penalize clients when needed services have not been fully provided. Although many clients receive initial sanctions for nonparticipation, additional sanctions are used sparingly. Overall, one-fifth (19 percent) of clients reported through the survey that they were sanctioned at some time during the past year. However, mostly qualitative information collected through the site visits suggests that few clients receive the more severe second- and third-level sanctions for repeated nonparticipation.[14] In addition, staff reported that the vast majority of clients exit TANF before their two-year time limit expires. However, among clients who do reach the two-year time limit, it appears that many receive "hardship exemptions" from it.[15]

To provide assistance to needy clients, local offices in both urban and rural areas target additional services to sanctioned and other hard-to-employ clients who have difficulty meeting participation requirements or who are nearing the end of their time limit. A uniform review process for final sanctions and time limits has been established in most local offices. Through sanction and time limit review committees, which meet periodically, regional and local HHSS administrators, supervisors, and case managers help ensure that consistent decisions are made when levying third-level sanctions and granting hardship exemptions from the two-year time limit.[16] In addition, several months prior to the end of clients' time limits, case managers target intensive services and support to them. During this time, staff often conduct team reviews of cases and enlist the assistance of the time limit review committee and others in determining what additional services and support to provide to clients and their families.

Mediation Center to Provide Additional Support to Clients

Mediation services are available to TANF recipients statewide. Clients who have experienced difficulties meeting the terms of their Self-Sufficiency Contracts may be referred for mediation. Sanctioned clients and others who are approaching the end of their time limit are often referred. Although few clients have used the mediation services, for those who have, the process has helped uncover personal and other barriers to employment.

- **The extent to which postemployment support is provided to clients varies across the state; in most sites, only limited support is provided.**

Although many clients are able to find work, many are not able to become economically independent and escape poverty. Many who get jobs have trouble keeping them. Moreover, clients' need for supportive services, including ongoing case management support in some

[14]Sanctions and time limits are tracked manually. Aggregate data are not available on the number of sanctions levied, the number of clients who reach the two-year time limit, or the number of clients who have received hardship exemptions from the time limit.

[15]For example, during a one-year period, Omaha administrators reviewed 49 cases that were nearing the end of the two-year time limit. Two-thirds of the reviewed cases were granted a hardship exemption from the time limit. The other one-third had their cash assistance case closed.

[16]Service areas that do not have a formal review process typically require approval from a supervisor before initiating a third-level sanction or granting a hardship exemption.

cases, continues once they become employed. Exacerbating the work-related challenges that newly employed clients face, many of the entry-level positions clients hold offer few opportunities for advancement—opportunities important in promoting economic independence over time. Nebraska's emphasis on providing education and training for interested clients is one effort to support job advancement by preparing clients for better-paying jobs with career paths that are more clearly defined.

Overall, postemployment services are limited in most parts of the state—both urban and rural—though some local offices do offer ongoing support to working clients. In Lincoln, for example, Curtis and Associates staff provide postemployment support to clients through periodic contacts over a six-month period after clients exit welfare. Curtis and Associates staff also assist with career planning and, as needed, mediate with employers to help resolve clients' work-related challenges. In the rural Southwest Service Area, Curtis and Associates plays a similar role for up to a year after clients leave welfare. These services are optional, however, and many clients do not use them. At the time of the second-round visits, many other local offices had plans to incorporate similar postemployment supports in their new employment contracts. Although some TANF case managers also provide postemployment support to their clients, the amount of support they can provide is constrained by limits on the time they have available for this type of work.

ADDRESSING PERSONAL AND FAMILY OBSTACLES

Welfare clients with serious personal and family obstacles often need specialized supportive services to make the transition from welfare to work. Through a network of community organizations, Nebraska offers services related to mental health, substance abuse, domestic violence, and other difficulties. These specialized services can help address clients' personal and family needs, which, in turn, may promote positive employment outcomes over time. Case managers work with clients to identify obstacles and make appropriate service referrals. In this section, we examine the availability of supportive service providers, clients' use of available services and benefits, and related service delivery challenges. Understanding these issues will allow HHSS administrators and staff to design and provide services that address clients' needs more effectively.

- **Specialized service providers are used increasingly in Nebraska to help address clients' personal and family challenges, but partnerships with such providers are generally weak.**

Local welfare offices in Nebraska have taken important early steps to improve existing partnerships and develop new ones with providers that offer specialized supportive services. In particular, mental health, substance abuse, and domestic violence service providers are important local resources, as are multiservice providers. These organizations provide professional expertise that extends beyond the capabilities of welfare office staff. For example, they may offer in-depth assessments, treatment and counseling (sometimes integrated with employment activities), and individualized assistance (for example, to escape from or cope with domestic violence). To this end, some states colocate alcohol and drug counselors, mental health providers, and domestic violence professionals in their welfare offices to help train staff, perform assessments, provide client counseling, and make

referrals. Although this approach is generally not used in Nebraska, it was recently piloted in Columbus to help address domestic violence.

At the State and Local Level, HHSS Has Begun to Address Domestic Violence

The Nebraska Domestic Violence/Sexual Assault Coalition is a statewide network of programs and service providers that are working together to address domestic violence and related issues among TANF clients and others. With the help of the Coalition, the Nebraska HHSS developed a short domestic violence screening tool, which includes the Family Violence Option. The Coalition has already trained staff in many local offices on domestic violence issues and use of the new screening tool.

The Coalition worked with HHSS, Voices for Children (an advocacy group), and a local service provider to colocate a domestic violence counselor in the HHSS office in Columbus for 20 hours each week. This counselor not only trains and assists HHSS staff, but also provides support to clients who are victims of family violence. In the future, the HHSS Central Office and the Coalition hope to colocate domestic violence counselors in other local HHSS offices across the state.

Special initiatives are also used in some parts of the state to provide intensive and individualized services to help hard-to-employ clients address multiple challenges and improve life skills. Addressing multiple challenges often requires a structured, intensive, and individualized approach. To this end, some rural offices offer the Building Nebraska Families Program, Omaha offers the Keys to Life Program, and Lincoln the Lincoln Action Program.[17]

[17]To address other needs that small subgroups of clients face, some local offices have also begun to engage specialized providers to help meet the unique needs of subgroups such as immigrants, Native Americans, and clients with criminal records.

Special Initiatives for the Hardest-to-Employ Clients

The Building Nebraska Families (BNF) Program, operated through a contract with the University of Nebraska Cooperative Extension, is an intensive pre-employment program for hard-to-employ TANF clients in rural parts of Nebraska, including Columbus. Master's-level BNF educators each work with between 12 and 15 clients, each of whom has serious personal and family challenges and/or skill deficiencies. Educators travel to remote places to work one-on-one with clients. They use research-based educational curricula to help clients develop family management and life skills. Weekly meetings, often conducted in clients' homes, address self-esteem, healthy relationships, parenting, goal setting, problem solving, money management, communication skills, and other topics. In addition, educators help clients address other issues, often by making referrals to specialized service providers. Overall, educators endeavor to help participants develop life skills and address personal and other barriers, enabling them to participate in volunteer and other opportunities in their communities, secure and maintain employment, and progress toward economic independence.

The Keys to Life Program, operated through a contract with the Urban League (an HHSS contractor), is an intensive three-week program in Omaha that provides clients with a comprehensive assessment, job readiness and life skills training, individualized vocational and personal counseling services, and peer support groups.

The Lincoln Action Program, through a contract with HHSS, conducts in-depth assessments and provides intensive case management services over an extended period of time to clients with personal and family challenges. Job readiness and life skills training classes are also provided.

Although many local welfare offices have made important initial strides to develop partnerships with specialized service providers, relationships are weak in most communities, and many clients who could benefit from services are not referred. Few local offices have formal referral agreements with local service providers. In both urban and rural areas, limits on the time of many case managers, lack of understanding about how to obtain and pay for services, and insufficient information sharing about community services contribute to the weak relationships between HHSS and specialized service providers. Moreover, many case managers are reluctant to talk with clients about personal matters or refer them to treatment.

Despite having access to fewer providers, welfare staff in the rural areas appear to have made better use of specialized service providers than those in urban areas. Rural staff have done better at identifying providers who are willing to accept TANF clients and have more actively referred clients to these providers. For example, Columbus and numerous local offices in the rural Central Service Area have developed ties with Vocational Rehabilitation (VR). This agency can not only help address clients' supportive service needs related to mental, physical, and learning disabilities, but also can integrate such services with specialized employment-related activities. In the urban areas, there appears to be more variation among workers in their knowledge about and use of specialized service providers.

- **Case managers continue to struggle in identifying and addressing serious personal and family challenges that clients face.**

The serious personal and family challenges that interfere with clients' ability to get and keep a job—challenges such as substance abuse, mental health problems, learning disabilities, and domestic violence—often go undetected and unaddressed. Insufficient training relating to these specialized needs, along with inadequate screening and assessment tools, heavy workloads, and case manager discomfort in talking about sensitive, personal needs all contribute to the limited attention given to addressing these issues.

Despite ongoing challenges, over the past few years it appears that many case managers have improved their ability to assess clients' needs and make appropriate referrals, as a result of several factors. First, additional staff trainings have been conducted on topics such as domestic violence, mental health, and substance abuse. Along with the Nebraska Domestic Violence/Sexual Assault Coalition, the HHSS Central Office recently provided domestic violence training to case managers in most local offices. Some offices also provided fairly recent training on mental health and substance abuse issues.[18] Second, some local offices, such as Omaha, have recently compiled guidebooks on locally available resources and services as a way to help case managers make appropriate service referrals. Third, case managers have become more skilled with identifying personal and family challenges. The experience of addressing these issues has helped case managers refine these skills over time. In addition to these changes, the HHSS Central Office recently developed an improved screening and assessment tool that focuses on personal and family challenges and other barriers to employment. HHSS plans to use this tool statewide.[19]

Team-based case management techniques have also been used successfully in working with hard-to-employ clients. Although staff time for team-based case management is limited, case managers periodically conduct team reviews (meetings) with other case managers, local office supervisors, and, in some cases, outside service providers to discuss individual cases. Such team reviews ("case staffings") represent one way for staff to pool resources and ideas in determining how best to meet an individual client's needs. Rural areas rely more heavily than urban areas on team reviews. Since there are fewer case managers and outside service providers in rural than urban areas, rural staff tend to know each other better. In turn, rural case managers and service providers tend to collaborate more regularly and make better use of the specialized resources available in their communities.

[18]In general, these trainings on mental health, substance abuse, and domestic violence were provided around the time of the second-round site visits, or in some cases during the year before. (The second-round site visits were conducted in spring and summer 2001).

[19]By January 2002, local offices statewide were using this new screening and assessment tool.

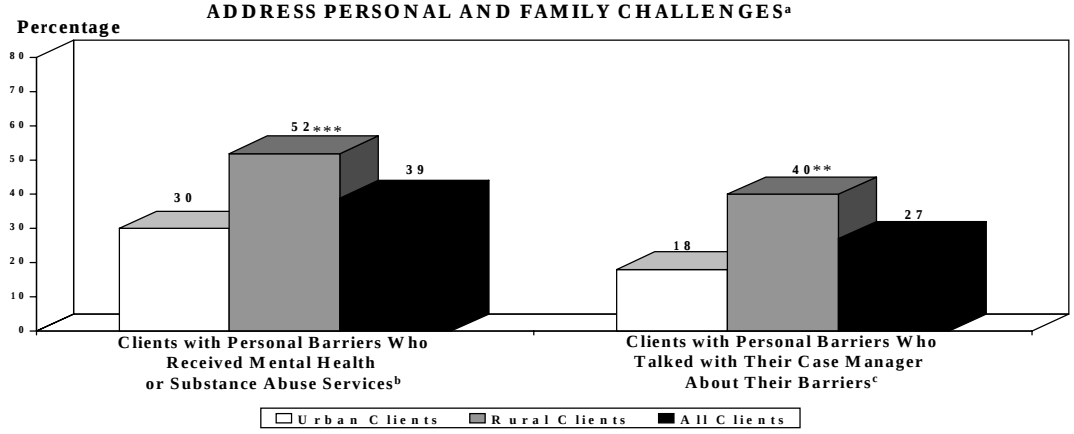
- **Most clients with mental health, substance abuse, or domestic violence barriers did not receive treatment or services to address their needs.**

Specialized supportive services may be obtained through the Employment First program or other service providers to address clients' personal and family challenges.[20] For example, mental health services are funded through Medicaid and are generally available through community-based mental health providers. Substance abuse treatment is also available through community providers, but generally funded with TANF supportive service dollars. Likewise, domestic violence assistance is available through community providers and, if necessary, can be paid for with TANF supportive service funds.

A substantial fraction of clients identified as having serious personal or family barriers did not receive treatment or services to address their barriers, especially in the urban areas. Among clients screened through the client survey as having major depressive disorder or a substance abuse problem, 39 percent reported receiving treatment during the past year.[21] Rates of treatment were substantially higher among rural clients with these barriers—52 percent of these rural clients received treatment or services, compared with 30 percent of the urban ones (Figure III.3). Rates of treatment were also somewhat lower (although not

FIGURE III.3

CLIENTS' USE OF SPECIALIZED SUPPORTIVE SERVICES TO ADDRESS PERSONAL AND FAMILY CHALLENGES[a]



SOURCE: Nebraska Client Survey. Tabulations are weighted.

We conducted a t-test for the difference between urban and rural clients. The difference for these characteristics:

*Significantly different from zero at the .10 level.
**Significantly different from zero at the .05 level.
***Significantly different from zero at the .01 level.

[a]The variables are based on clients' use of services during the past year.

[b]Includes only clients identified as having a mental health or substance abuse barrier.

[c]Includes only clients identified as having a mental health, substance abuse, or domestic violence barrier.

[20]In this section, we examine the use and delivery of specialized services related to mental health, substance abuse, and domestic violence. As mentioned earlier, services to address other major personal needs (such as learning disabilities) are also available, but to a limited extent. Services related to learning disabilities are not discussed here, since related data are not available. Nevertheless, qualitative analyses based on the site visits suggest that the use of services to address learning disabilities is quite limited, except in those rural areas where partnerships have been developed with the Vocational Rehabilitation system. Still, given difficulties identifying learning disabilities, it is likely that only a small fraction of clients with these needs receive specialized services.

[21]For definitions of the measures used in the client survey to identify clients with major depression, substance abuse, and other barriers, see Appendix A.

significantly so) among clients still receiving TANF: 37 percent of TANF stayers with a mental health or substance abuse barrier received treatment during the past year, compared with 42 percent of their counterparts who had left TANF (not shown).

Most clients with personal or family barriers did not talk with their Employment First case manager about them. Only about one-quarter of clients identified as having major depressive disorder, a substance abuse problem, or a current domestic violence issue reported discussing the matter(s) with their case manager (Figure III.3). Rural clients were significantly more likely to talk with their case managers about these serious barriers: two in five, compared with one in five urban clients. Furthermore, TANF clients who were not working at the time of the client survey were somewhat less likely to talk with their case manager, less than one in four, compared with more than one in three other clients.

Although few clients with these serious barriers turned to their case manager, of those who did, four of five found their case manager to be helpful. Moreover, clients with serious barriers who reported discussing them with their case manager were more than twice as likely as clients who did not do so to receive services over the past year to address the barriers.

- **The vast majority of TANF clients and their children were covered by health insurance. However, some clients who were off welfare or had health-related barriers were not insured.**

Health insurance allows clients access to needed health care, including care to help address physical and mental health barriers. As shown in Chapter II, many clients who left welfare did not get jobs that offered health insurance. These clients had to rely on public health insurance for themselves and their families. To provide health insurance for low-income people, Nebraska offers Medicaid coverage for TANF recipients and certain other low-income, working adults.[22] Also, through Kids Connection, Nebraska's Medicaid expansion program (State Children's Health Insurance Program), the state offers coverage for all children in families with income up to 185 percent of the federal poverty level.

The vast majority of Nebraska's welfare clients and their children were covered by some type of health insurance. Eighty-five percent of clients reported being covered, and 97 percent reported that their children were covered (Figure III.4).[23] There were no significant differences between urban and rural clients.

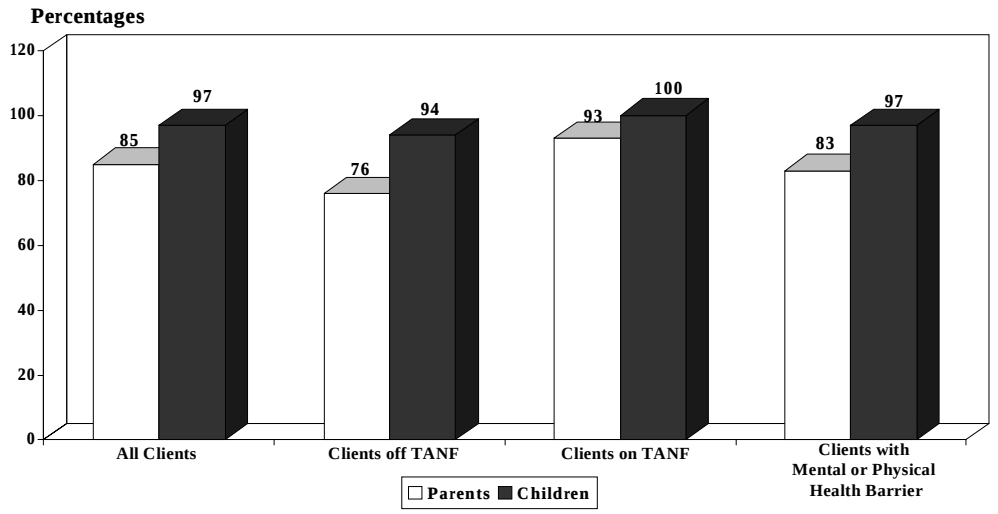
Despite high overall health insurance coverage rates, there were unmet needs among important subgroups (Figure III.4). First, a substantial minority of TANF leavers were not insured. Among all clients who had left TANF at the time of the survey, 24 percent reported that they were uninsured, compared with 7 percent of clients who were still on

[22]Working former TANF clients can receive transitional Medicaid for 6 months without regard to income and for an additional 18 months as long as their income remains below 185 percent of the federal poverty line. The vast majority of clients in the sample met the income eligibility criteria.

[23]The survey did not ask respondents about the source of health insurance. Hence, we are able to report only the proportion of clients covered by any type of health insurance.

FIGURE III.4

HEALTH INSURANCE COVERAGE AMONG CLIENTS AND THEIR CHILDREN AT THE TIME OF THE SURVEY[a]



SOURCE: Nebraska Client Survey. Tabulations are weighted.

TANF.[24] Second, 17 percent of clients with mental and physical health barriers—who may need health insurance the most—were not insured.

Although some gaps remain, a review of findings from other studies suggests that Nebraska, compared to many other states, has been successful at keeping most of its former TANF clients insured. For instance, a study of former clients nationwide who had been off welfare a short time (from a few months to about a year) showed that 59 percent were covered by insurance in 1997 (Loprest 1999). This compares with 76 percent of all former clients in Nebraska. Moreover, using an example from a neighboring rural state, a recent study of Iowa TANF recipients showed that 63 percent of recipients who left the rolls during spring 1999 were insured (Kauff et al. 2001).

USE AND DELIVERY OF LOGISTICAL SUPPORTS

Supportive services can be critical in helping clients to manage the logistical challenges of working. Reliable transportation and child care are important logistical supports that enable many clients to work. Program staff work with clients to help meet their child care and transportation needs. In this section, we examine clients' use of available child care and transportation services and benefits. We also identify the challenges involved in delivering

[24]In particular, among clients who had left welfare but were not working, nearly half were uninsured. The rate of noncoverage among their children was much lower (around one-fifth), but still higher than among other children of welfare parents. These findings should be interpreted with some caution, however, as they are based on a sample of 49 cases.

them. This information can be used by program staff and policymakers to understand the needs of clients as they transition from welfare to work.

- **Over half of clients who worked or participated in work-related activities made use of child care subsidies.**

Reliable and affordable child care is important for working parents. Recognizing that, Nebraska offers child care subsidies to welfare clients and other working families with young children.[25] Case managers are also available to help clients find a child care provider.

Nebraska's TANF clients relied on a mix of formal and informal child care arrangements. About half of working parents with young children used formal group care, such as centers, preschools, and family day care homes (not shown). Over a third relied on care by relatives, the rest on other informal arrangements, such as those with friends and relatives.[26]

Many clients who worked or participated in work activities made use of child care subsidies. We examined subsidy use rates among clients with young children who were either working or participating in a work activity at the time of the survey.[27] Over half (56 percent) of these clients reported that they were currently receiving a subsidy or assistance from the state to help defray their child care costs (Figure III.5). Among working clients with young children who had left TANF, receipt of child care subsidies was similar, 55 percent (not shown). More generally, 70 percent of clients who had young children and were either working or participating reported that they had received some type of help with child care through the Employment First program over the past year. In addition to the subsidy, this may have included nonmonetary assistance, such as help finding a provider. Child care subsidy usage rates were somewhat higher in the urban than in the rural areas, but not significantly so (Figure III.5).

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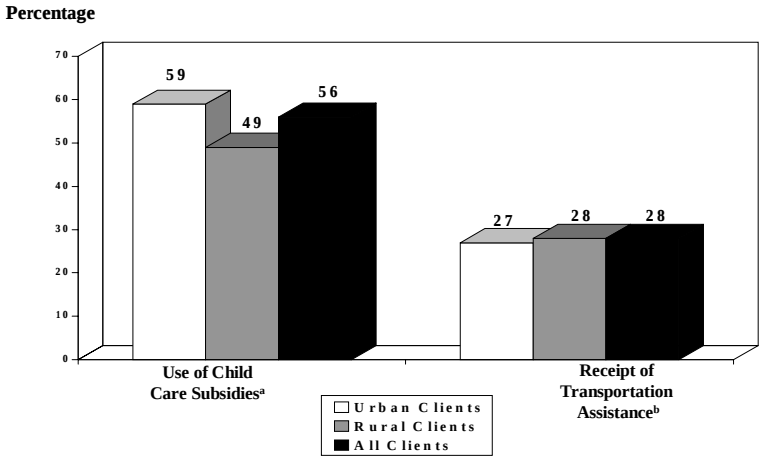
[25]At the time the evaluation was conducted, low-income families with children under age 13 could receive a child care subsidy on a sliding fee scale for as long as their countable income was less than 185 percent of the federal poverty level (as it is for the vast majority of Nebraska's TANF clients). As of July 2002, after the evaluation was conducted, two key changes were made to child care policy in Nebraska. First, child care benefits were limited to 24 consecutive months for transitional TANF clients, as long as their income remains equal to or below 185 percent of the federal poverty level. Second, the eligibility level was reduced to 120 percent of the federal poverty level for low-income working families who are not current or transitional TANF clients. In any case, during the time clients receive TANF, the cost of their child care can be fully reimbursed. In addition, subsidies can be applied to formal or informal care arrangements.

[26]The type of care used was similar among urban and rural clients, although urban clients were slightly more likely to rely on formal group care.

[27]We examined data for the 54 percent of the sample that had children under age six living at home and were working or participating at the time of the survey. (Seventy-three percent of the sample had children under age six living at home, and 72 percent were working or participating at the time of the survey.) While it would have been more appropriate to examine clients with children under age 13, such data were not available.

FIGURE III.5

USE OF CHILD CARE AND TRANSPORTATION BENEFITS AND SERVICES AMONG CLIENTS CURRENTLY WORKING OR PARTICIPATING IN WORK ACTIVITIES



SOURCE: Nebraska Client Survey. Tabulations are weighted.

We conducted t-tests for the differences between urban and rural clients. The differences for these characteristics were not significant at the .10 level.

[a]The proportion of eligible clients who, at the time of the survey, reported that they were currently receiving assistance or a subsidy to help pay for all or some of their child care costs. These figures represent only clients who, at the time of the survey, were working or participating in work activities and had children under age 6 living at home.

[b]The proportion of clients who reported that they had received help with transportation through the Employment First Program at some point during the past year.

Although many clients who worked or participated in work activities did not use child care subsidies, the use of subsidies among Nebraska's clients was high compared with use by clients in other states.[28] One study reviewed welfare "leavers" data from 15 states (collected during the late 1990s) and concluded that, in most states, 30 percent or less of working TANF leavers received assistance paying for child care (Schumacher and Greenberg 1999). This compares to 55 percent of working TANF leavers in Nebraska (not shown).

- **Shortages of child care providers, especially during nonstandard work hours, may hinder some clients' employment efforts.**

In recent years, the supply of child care available to TANF clients increased in many of Nebraska's communities. At the time of the first-round site visits, some areas contained a limited number of providers, especially those that offered care for infants or care during nonstandard work hours. Without these types of child care, many clients find it difficult to work or participate in work activities. Anecdotal evidence suggests that, in the past few years, the number of child care centers and licensed family providers did increase, particularly in the urban areas. New providers opened primarily out of a demand for child care services, rather than because of incentives offered through specific state or local

[28]It is not clear why many clients who were likely to be eligible for child care subsidies did not use them. It is very possible that some clients were not fully knowledgeable about subsidies or their eligibility for them. For example, some may not have known that subsidies were available to reimburse their family, friends, or neighbors for caring for their children. In addition, it is possible that other clients viewed the process of applying for subsidies as too burdensome. Still others may not have wanted to accept this type of assistance.

initiatives. Nevertheless, since some of these new providers offer care for infants, they are helping to address an important gap.

Despite the increase in the number of providers, a shortage of care persists during nonstandard work hours and for infants and children with special needs. In particular, the scarcity of services during evenings and weekends excludes some clients from relatively high-paying manufacturing jobs. Moreover, many clients with irregular work schedules have difficulty finding a child care provider that can meet their need for flexible care. Moreover, some parents with infants or special-needs children are unable to work because of the lack of providers. Through HHSS, subsidies are currently available to reimburse friends and relatives for providing child care. To the extent funds are available, encouraging more clients to make use of subsidies to reimburse friends and relatives might be one way to expand the supply of child care, especially during nonstandard work hours.

- **One-third of clients who worked or participated in work-related activities received transportation assistance.**

Reliable transportation is important for working parents. Given that, Employment First makes assistance available while clients participate in the program and for six months after they leave TANF. Transportation assistance may include payments to cover car repairs, car insurance, gasoline, and bus passes; help obtaining a driver's license; and, in some cases, funds to help purchase a car. Car-related assistance is particularly helpful since public transportation options are limited and since the great majority of clients in Nebraska use cars to get to work. Nearly 9 in 10 employed rural clients and 8 in 10 urban clients reported driving to work or getting a ride with a friend or coworker (not shown). A significantly higher fraction of rural clients drove themselves to work, while it was more common for urban clients to get rides with friends or coworkers. Only a small fraction relied on public transportation, 14 percent of urban clients and 1 percent of rural clients.

A substantial minority of clients received assistance with transportation. About 3 in 10 who were working or participating in a work activity at the time of the survey reported having received help with transportation during the past year (Figure III.5). Among those clients who were screened as having a transportation barrier, still about 3 in 10 in both urban and rural areas reported receiving assistance (not shown).[29] There may be substantial variation by case manager in the extent to which clients received help with transportation. For example, among clients currently working or participating in a work activity, close to 3 in 10 reported that their case manager was very helpful in addressing their transportation needs, while about 4 in 10 said their case manager was not at all helpful. Case managers' knowledge of available resources and their assertiveness in helping clients, as well as clients' assertiveness in asking for help, are all factors that may influence why many clients with transportation problems reported that they did not receive assistance.

[29]Using both definitions of a transportation barrier (see Appendix A), only about 3 in 10 clients reported that they received transportation assistance.

- **Shortages of transportation options in both urban and rural areas limit clients' ability to get to work, and little progress has been made to expand options.**

Statewide, limited access to transportation creates difficulties for many clients, making it challenging for them to work or participate in work-related activities. Clients with transportation difficulties are often restricted in the jobs they can hold. Transporting children to child care providers further complicates work experiences for clients, particularly for clients who do not have their own cars.

State and local efforts have helped to expand the supply of public transportation in some areas, but many gaps persist. At the state level, transportation resource staff are available to help case managers resolve clients' transportation problems and work with local administrators to develop new transportation options for clients, such as van services or the expansion of public bus routes. At the local level, administrators and other staff are similarly involved. For example, although Omaha's welfare office was not successful in working with the local transportation authority to expand public bus routes and services, it recently began providing van services to some welfare clients through service agreements with local transportation vendors. In addition, the Scottsbluff/Gering welfare office assembled a community committee on public transportation to find ways to introduce it to the area. Although this effort did not lead to an expansion in public transportation services, it was an important initial step.

CHAPTER IV

KEYS TO IMPROVING THE EMPLOYMENT FIRST PROGRAM

This report examines the challenges and employment experiences of a recent cohort of Nebraska's TANF clients, along with the strategies that the Employment First program uses to address clients' needs and prepare them for work. It comprehensively examines employment barriers among welfare clients and blends quantitative and qualitative analyses to differentiate clients' barriers and related service delivery issues in rural and urban areas. In this concluding chapter, we summarize key findings and assess important rural-versus-urban differences, and we identify priorities for improving the Employment First program to address clients' barriers and to help clients progress toward employment and economic independence.

KEY FINDINGS

Clients' Obstacles, Employment Experiences, and Use of Services

Many welfare clients in Nebraska face serious and multiple obstacles that impede their pathway to work and economic independence. Low skills, mental health problems, problems with child care, and having to care for a child with special needs or for an elderly, sick, or disabled person were the most common challenges—each affected about one-third of single-mother clients who received TANF in January 2000. Smaller but still significant fractions of clients also faced transportation problems or had serious personal needs, such as alcohol or drug problems, physical domestic abuse, learning disabilities, and physical health difficulties. Moreover, more than three in five clients faced at least one serious personal or family obstacle, and nearly one in four had low skills and at least one such obstacle.

Employment obstacles impede many clients' progress toward work and economic independence. By the end of the one-year period covered by the follow-up survey, over one-third of clients had left welfare for work. Still, over half remained on TANF, and many of these faced serious personal, skill, and logistical obstacles. Nevertheless, about half of those who remained on TANF combined welfare with work, a higher fraction than in most states. Working allowed many former TANF clients and their families to escape poverty;

still, one-half of those off TANF and working were poor, as were two-thirds of all clients and their families. Overall, clients who faced one or more obstacles were significantly less likely to work and leave welfare compared with clients who did not face obstacles. In particular, clients who remained on TANF and were not working a year later faced more obstacles than other clients.

Nebraska's Employment First program is an evolving welfare system. Although the individualized program approach is appropriate given the serious obstacles that clients face, and even though service delivery improvements have been made in recent years, important challenges remain to address clients' needs and improve their employability. Overall, client participation in program activities and use of supportive services is high in Nebraska compared with many states. For instance, many clients participated in employment activities, including education and training, and many were covered by health insurance and received available child care subsidies. However, many clients—including those who faced serious employment obstacles—did not work, participate in program activities, or receive needed supportive services (such as specialized treatment or counseling for mental health needs). To Nebraska's credit, program staff have accomplished much in offering TANF clients a range of employment activities and supportive services through a network of contractors and community partners. Still, weaknesses in service delivery and inefficiencies in workload management persist, important subgroups face unmet needs, and key resources in many communities remain untapped. As a result, substantial fractions of clients with serious obstacles remain on the caseload and do not receive services to help address their barriers and improve their prospects for employment and economic independence.

Rural Versus Urban Differences

Despite facing comparable barriers, urban clients were more welfare dependent than rural ones. Although urban clients had access to more opportunities and services, they were less likely to work, participate in program activities, or receive certain services and benefits, such as the earned income tax credit (EITC) and mental health and substance abuse treatment. In contrast, rural clients were less dependent on TANF and, consistent with other studies, more likely to work. They were also more likely than urban clients to participate in education, training, and other types of work-related activities, and were in more frequent contact with program staff. However, because the economic base is weaker in rural communities, rural clients were also considerably less likely than urban ones to find good-paying jobs with benefits and a little more likely to remain in poverty.

Why are rural clients more likely than their urban counterparts to participate, receive services, and work, despite having access to fewer opportunities and services? First, since rural populations are smaller, closer-knit, and less transient than urban ones, staff likely have stronger personal connections with clients and service providers, which helps them obtain services for clients. This social fabric may also facilitate a stronger work ethic among rural clients by making them feel more accountable to community norms that support work. Second, rural service delivery systems are smaller and less complex, which reduces challenges in cross-organization collaboration and makes it easier for staff to develop strong partnerships, maximize available resources, and connect clients with needed services. Third, rural case managers are generally more experienced than their urban counterparts, which

promotes better services and support for clients. Fourth, rural case managers carry a smaller caseload of clients, which likely allows them to get to know clients somewhat better and provide services and support that are more individualized.

PROGRAM AND POLICY RECOMMENDATIONS

In both rural and urban areas of Nebraska, Employment First program staff have implemented important strategies to address clients' needs and prepare them for work. Still, the evaluation's findings suggest a variety of additional action steps. The recommendations below are intended to target program efforts to help more of Nebraska's welfare clients get and keep jobs and advance toward economic independence. Nebraska's central and regional HHSS offices can play critical leadership roles in facilitating local-level program improvements. Different priorities may apply to rural and urban areas, and these are noted below.

1. Improve workload management to provide more consistent, timely, and individualized service delivery.

The heavy workloads of TANF case managers and their supervisors jeopardize the quality, consistency, and efficiency of Employment First service delivery. Case managers are expected not only to perform a wide range of administrative tasks related to client eligibility and benefit authorization, but also to deliver individualized case management services to 80 or more clients. Heavy workloads limit case managers' ability to complete their work in a timely way, and limitations in some case managers' skills and knowledge leads to inconsistency in the services delivered to clients. Moreover, the heavy workloads also decrease worker morale, exacerbating service delivery challenges.

Finding new and innovative ways to improve the ability of case managers to handle their workloads will help to ensure that they provide services in a more timely and consistent manner. By improving timeliness and consistency in service delivery, case managers will have more time to offer individualized support and assistance to their clients. Building on what has been done already and without expanding staff resources, program administrators and policymakers might consider one or more of the following recommendations:

- **Provide some services in groups.** Deliver the initial client orientation and assessment in group settings, particularly in urban areas where caseloads are larger. The Southwest Service Area, through its one-week group orientation and assessment program, provides a model. Contractors might be used to deliver these (and other) case management services.
- **Specialize staff.** Transfer time-consuming eligibility functions related to child care to specialized workers, as many states do.
- **Reduce reporting requirements.** Minimize the reporting requirements that case managers must fulfill, particularly related to food stamps, in order to increase their time available for providing individualized case management services. For example, food stamp recertifications might be performed

annually, with semi-annual or quarterly reporting, and include only one face-to-face interview per year.

- **Improve workload allocation.** Further develop workload allocation systems that distribute cases equitably across workers based on their level of difficulty. Allocate the most difficult cases to the best workers.
- **Conduct regular "case conference" meetings.** Hold weekly meetings with case managers and their supervisors to share information and discuss service delivery issues, particularly with respect to difficult client cases. Such meetings, by improving the accessibility and involvement of supervisors, also provide needed technical assistance to staff.
- **Improve reporting capabilities of N-FOCUS.** Improve N-FOCUS reporting capabilities. The system is not well equipped to provide basic caseload data, such as the number of cases by worker, status of client assessment and contract development, client participation and receipt of services, sanctions, and progress toward time limits. Such information is critical not only for helping front-line staff manage their work, but also for allowing administrators to monitor program performance.

2. Cultivate community partnerships.

Serving welfare clients effectively and promoting their employment is dependent on well-established partnerships and coordinated service delivery methods. Throughout Nebraska, local HHSS offices work collaboratively with a broad range of organizations. Over the past few years, new partnerships have been forged in some communities with domestic violence organizations, mental health and substance abuse providers, and the Vocational Rehabilitation system. Nevertheless, these efforts are limited to only some of Nebraska's communities, and more are needed. In particular, the urban areas—despite their access to a greater number of specialized providers—have been less successful at forging partnerships and maximizing locally available resources.

To develop and strengthen community partnerships and foster an environment where welfare reform is viewed as a community responsibility, program administrators and policymakers might consider the following recommendations:

- **Organize local "employment collaboratives."** Develop local "employment collaboratives" among agencies that serve welfare and other low-income families. Collaborative partners may include, for example, HHSS, workforce development groups, contracted employment providers, community colleges, mental health and substance abuse agencies, ethnic-specific service providers, and employers. To facilitate the development of a collaborative group and to lead coordinated service delivery efforts across agencies, it may be useful to hire a local coordinator using available TANF, Welfare-to-Work, or other Department of Labor funding. One coordinator might serve several communities or counties within a given service area.

- **Partner with specialized service providers.** Develop better partnerships with organizations that offer treatment and counseling for personal needs such as mental health, substance abuse, and domestic violence. This may first involve assessing whether reimbursement rates paid to providers are sufficient to induce new providers to serve TANF clients. It may also involve developing formal referral agreements or contracts with providers; involving provider staff in training HHSS staff; and colocating provider staff in local HHSS offices.

- **Utilize supported work providers.** Introduce supported or transitional work opportunities. To offer such opportunities to hard-to-employ clients, HHSS may partner more closely with, for example, Vocational Rehabilitation or Goodwill Industries, agencies with long histories of providing supported work services to people with disabilities or other disadvantages. For example, mental health and other human services agencies in some states have contributed funds to help Vocational Rehabilitation obtain additional federal matching dollars, which have been used to fund cross-agency initiatives.

3. Better address personal and family barriers related to mental health, substance abuse, learning disabilities, and domestic violence.

Many Nebraskan welfare clients face multiple personal barriers such as mental health problems, substance abuse, domestic violence, and learning disabilities. These can be very difficult to identify, since clients are often reluctant to talk about such sensitive issues and, in some cases, may not acknowledge that they have a problem. Addressing these barriers is also challenging because specialized services, treatment, and, in some cases, workplace accommodations are required to help clients make a successful transition to work. Since these barriers may prevent clients from participating in work activities, finding or keeping a job, or exiting TANF, it is imperative to improve strategies to address them.

Nebraska has already taken initial steps to improve services for clients with serious personal and family obstacles. For example, the new assessment form that the Central Office recently developed better equips case managers to identify clients' obstacles. However, more is needed. Building on what has already been done, program administrators and policymakers might consider the following recommendations:

- **Colocate specialized providers.** Colocate mental health, substance abuse, and/or domestic violence workers in local offices to assess clients' needs and link them to existing services. Specialized workers may also provide training, technical assistance, and consultation for HHSS staff.

- **Develop resource and referral guides.** Disseminate additional information to staff on what services and resources are available locally and provide clear instructions on how they can help clients access and pay for them, for example, using TANF supportive service funds.

- **Improve staff training and technical assistance.** Improve ongoing training and technical assistance to increase staff knowledge of personal barriers, build their comfort in working with clients who face them, and improve their knowledge of available service options and resources. For example, participation in mental health and substance abuse treatment can count as allowable work activities in Nebraska. However, many case managers do not know this and do not make use of this option for hard-to-employ clients.

4. Help more hard-to-employ clients take advantage of employment-related opportunities such as job readiness and life skills training, work experience, on-the-job training, and supported work.

Many clients who remain on TANF need help managing various types of barriers as they prepare for work. Although clients with obstacles are less likely than other clients to work and leave welfare, they do not often participate in activities or services that may help develop vocational and life skills to prepare them for the workplace. Many of these hard-to-employ clients might benefit from specialized skill-building activities—such as GED preparation, job readiness training, work experience, and supported work—in combination, as necessary, with supportive services that directly address personal and family barriers. These clients may also benefit from intensive life skills programs, such as the Building Nebraska Families initiative.

HHSS might focus attention on helping several groups of at-risk TANF clients make better use of employment activities and services. These overlapping groups include (1) long-term recipients who have received TANF for an extended period (for example, 12 to 24 months or longer); (2) clients without a high school credential or an adequate work history; and (3) clients with chronic personal needs related to mental health, substance abuse, learning disabilities, and domestic violence. In addition, other clients who leave TANF without a stable source of financial support, including those who were sanctioned, may also benefit from participation in some type of employment activity, as well as targeted follow-up support for themselves and their children.

In particular, to better address the needs of hard-to-employ clients, program administrators and policymakers might consider making the following improvements related to employment activities:

- **Make job readiness and life skills training mandatory for more clients.** Expand the use of intensive job readiness and life skills training, and make training mandatory for certain at-risk subgroups, like long-term TANF stayers and clients with low skills. Although more clients across the state might benefit from structured and intensive training, needs may be greatest in the urban areas, where clients are more likely to remain dependent on welfare and where fewer job readiness opportunities are currently available.
- **Connect more clients with work experience and on-the-job training (OJT).** Make better use of work experience and OJT to give less-educated

and skilled clients experiences to build personal and vocational skills and develop good work habits. These activities can be accessed through WIA providers, though better coordination with these providers is needed. Recently, some local offices have begun expanding the role of contractors to encompass work experience and OJT.

- **Offer supported work services.** Add supported work services to the menu of available employment activities. Supported work typically involves placing clients in subsidized or unsubsidized jobs and providing supports to help them develop healthy workplace behaviors. A job coach may be assigned to help address clients' service needs and teach job skills and attitudes. Developing partnerships with providers such as Vocational Rehabilitation may help to facilitate the development of supported work opportunities. The role of the employment contractors, such as Goodwill Industries, might be expanded to do the same.

5. Enhance transitional support to promote job retention and advancement.

Many of Nebraska's TANF clients find low-paying, entry-level jobs. These low wages, combined with the costs of working, can make it difficult for many clients to maintain employment. In addition, clients who find work must adjust to workplace requirements and make reliable child care and transportation arrangements. Some must also deal with health problems—their own or a family member's—that may make it difficult for them to work at all. Many also struggle to provide financially for their families. These concerns can all compound to make the transition from welfare to work difficult.

Although it is not clear what transitional employment supports might promote job retention and advancement among Nebraska's TANF clients, program administrators and policymakers might consider several key strategies:

- **Inform clients about the EITC.** Improve knowledge and awareness of the EITC among clients and help more working clients claim it on their tax return. Currently, too few eligible clients make use of the EITC. Encouraging clients not only to claim the EITC, but also to make use of its advanced pay option, will help increase the amount of income that working clients can take home.
- **Expand the use of performance-based contracting.** Expand the use of performance incentives to encourage contractors to help clients obtain good jobs (full-time jobs with benefits) and support them for longer periods of time after they become employed (for example, for six months).
- **Provide postemployment services and job coaching.** Using the existing employment contractors, provide intensive follow-up support to clients who are at high-risk of job loss, including those with limited work experience, personal barriers, and a history of welfare recidivism. As part of this follow-

up support, offer workplace mentoring, on-the-job coaching, and career counseling to clients who could benefit.

- **Support education and training.** Continue to find creative ways to encourage interested clients, particularly in rural areas, to pursue education and training as a way to increase earnings and job opportunities. Some staff encourage clients who participate in educational programs to work and exit welfare during the summer months, when they are not in school. This strategy might help more clients who are well suited for education and training to complete two-year programs within the two-year time limit.

- **Expand child care during nonstandard hours.** Encourage child care providers, through grants or increased payments, to offer care during nonstandard work hours. In addition, encourage clients who need care during nonstandard hours to seek subsidies to reimburse their family or friends for providing such care. Such reimbursements may make it easier for some clients to take jobs that require shift, evening, or weekend work.

- **Improve transportation options.** Expand transportation options for clients by offering public van service and working with local and state transportation agencies to expand public busing. Also explore efforts to offer low-cost car loans or transfer donated cars to clients.

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APPENDIX A

MEASURES OF POTENTIAL EMPLOYMENT BARRIERS[1]

We used data collected in the client survey to form measures of 11 potential barriers to employment. These measures were defined as follows:

1. **Low Skills:** A respondent is considered to have low skills if she neither graduated from high school nor received a GED (see Questions J10 and J11), or if she worked for pay in less than one-quarter of the years since she turned age 18 (see Question C2).

2. **Learning Disabilities**. We used the Washington State Learning Disabilities Screener to measure the possible presence of learning disabilities among respondents (see Questions J9a to J9m). If a respondent scored 12 or more out of a possible 30 points, then she is considered to have a learning disability.[2]

3. **Major Depression**. We used the World Health Organization's Composite International Diagnostic Interview Short-Form (CIDI-SF) to measure the prevalence of major depression (major depressive disorder) during the past 12 months (see Questions H5 through H39). There are two ways in which a respondent may screen positive for major depression: If the respondent endorses all questions about one of two types of depression [(H5,H6, and H7) *or* (H24, H25, and H26)] *and* the respondent either exhibits three of seven symptoms for the first type of depression *or* three of six symptoms for the

[1]This appendix was co-authored by Jennifer Faerber and Michael Ponza.

[2]The screener is a validated screening tool that has been well-tested on welfare populations in different settings. The scoring algorithm is as follows: Each "yes" response to Question J9a through J9e receives a score of "1" point. Each "yes" response to Question J9f and J9g receives a score of "2" points. Each "yes" response to Question J9h through J9j receives a score of "3" points. And each "yes" response to Question J9k through J9m receives a score of "4" points.

second type, then she screens positive for major depression.[3] A positive screen indicates that the respondent meets the criteria for probable major depression during the past year, suggesting that if she were administered the CIDI long-form she would likely meet the full diagnostic criteria for major depression.

4. **Alcohol or Drug Abuse Problems.** We used the CAGE Drug and Alcohol Abuse screener to measure alcoholism and/or drug abuse currently or in the past (see Questions H44 through H47). The CAGE was originally developed and validated to detect alcoholism, but it has also been modified and used to detect either alcoholism *or* drug abuse. The respondent is considered to have had a substance abuse problem if she answered two or more of Questions H44 through H47 in the affirmative.[4]

5. **Poor Physical Health**. A respondent is considered to have a physical health barrier if she reported her health as "poor" (see Question H1).

6. **Domestic Physical Abuse.** We used an adaptation of a series of questions from the Minnesota Welfare Reform Evaluation to measure domestic physical violence (Questions H61 through H64). A respondent is considered to have this barrier if she reported that physical abuse occurred during the past 12 months.

7. **Low Self-Efficacy/Self-Control.** To examine self-efficacy/control we asked respondents three questions (see Questions H42a, H42b, H42c) that we developed for the survey about their ability to manage and control the direction of their lives and their capacity to adjust if things go wrong. Respondents could answer "often," "sometimes," "rarely," or "never" about these traits. Two of the questions were phrased in a "positive" context, and one in a "negative" context. Respondents answering "rarely" or "never" on the positive context questions were scored as lacking control over that dimension; those answering "often" or "sometimes" on the one negative context question were scored as lacking control over that dimension. A respondent is considered to have low efficacy/self-control if they had two or more responses on the three individual items that indicated "low" control.

8. **Past Criminal Record.** Respondents have this barrier if they responded "yes" to Question D6d which asked the respondent whether she has a criminal record.

9. **Child or Other Dependent with a Health Problem or Special Need.** A respondent reporting during the past year that she has a child with a health, behavioral, or other special needs (Question D6a), or is caring for an elderly, disabled, or sick family member or friend (D6b), was considered to have this barrier.

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[3]If the respondent endorses all three initial questions about the first type of depression (H5, H6, H7), then she is skipped out of the questions that ask about the second type of depression (H24,H25, H26). If she does not endorse all three initial questions about the first type of depression, then she essentially gets a "second chance" to meet the requirements for major depression and she is asked the second set of questions.

[4]If two of the four key questions (H44, H45, H46, H47) are answered "yes," then there is about an 82 percent probability that the respondent has a problem with addiction.

10. **Transportation Problem.** A respondent who either does not have access to a car (Question J3) or does not have a valid driver's license (J2) and lives in an area that does not have bus, van, or shuttle services (J5) is considered to have a transportation barrier.[5]

11. **Child Care Problems.** We asked respondents about two child care issues: (1) child care provider is too far away; and (2) unable to find child care during the time of day or day of week needed. A respondent was considered to have a child care problem during the past 12 months if she reported that one or both of these issues was a concern to her.

[5]This measure probably understates the prevalence of clients with transportation barriers since respondents may live in communities with public transportation and other transportation services but these modes may not be accessible to clients for commuting to potential jobs.