

**NEW HOPE AND W-2:
COMMON CHALLENGES, DIFFERENT RESPONSES**

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September 1999

Report Submitted to the New Hope Project, Inc.

This research was conducted under a contract between the authors and the New Hope Project, Inc.
Opinions expressed are those of the authors and not the New Hope Project.

Abstract

The Wisconsin Works (W-2) and New Hope programs share common geographic and fiscal roots and achieved public recognition as employment-based welfare reforms at approximately the same time. This report describes similarities and differences between the two programs and compares how they responded to several common challenges. The challenges discussed include those of coaching and counseling program participants in their moves toward independence, managing and training the staff who provide that function, responding to instances of noncompliance in programs that place heavy demands on participants, providing community service jobs that both challenge and protect program participants, providing support for the child care and health insurance expenses of participants, helping participants avail themselves of other opportunities like the Earned Income Credit, and giving staff and managers the information resources they need to assure that all these challenges are met.

New Hope case managers focused more on opening doors to broad program access and offering options to participants than is the case in W-2, although some W-2 agencies have always promoted broad access. Case managers in both programs spend much of their time acting as job coaches and entering program data and calculating program benefits. W-2 has a more graduated sanctions policy for failure to meet the terms of its individualized employability plans, but W-2 sanctions are now applied to about 40 percent of the caseload. New Hope treated community service jobs, which the project arranged and funded, as equivalent to real jobs with fringe benefits, whereas community service jobs in W-2 are viewed as steps in the ladder to real positions in the unsubsidized labor market. Both programs provide child care and health care assistance but collect participant premiums for health care assistance differently, and both programs emphasize participant use of the Earned Income Credit, although New Hope more fully integrated the Earned Income Credit into its benefit structure.

The Wisconsin Works (W-2) and New Hope programs share common geographic and fiscal roots and achieved public recognition at approximately the same time. The programs are distinct, but their joint emphasis on employment-based welfare reform in a common region and time allows for a comparison of how they responded to similar challenges. This report makes that comparison, first discussing broad similarities and differences between the two programs and then describing responses of the two programs to common challenges.

New Hope was first designed as a project of the Congress for a Working America. Project designers planned the program in the late 1980s and early 1990s, began it as a prepilot with 50 participants in mid-1992, and moved toward full implementation for 681 cases in August 1994. The cases were selected randomly from a group of 1,362 interested participants, half of whom entered a control group and half of whom received the New Hope treatment. The project operated in two zip codes, both with large concentrations of poor people, in the city of Milwaukee and received funding from multiple sources, including contributions from national and local foundations and individuals. State and federal tax revenues supported about 40 percent of New Hope Project expenditures. The program stopped serving participants in December 1998.

Planning for the W-2 program occurred as New Hope was in its prepilot phase. The 1993 session of the Wisconsin legislature terminated the Aid to Families with Dependent Children (AFDC) program as of January 1, 1999, and required the state Department of Health and Social Services (DHSS) to submit replacement legislation by December 1, 1995. A small group of DHSS officials, with assistance from the Hudson Institute, a national research institute, developed the plans for W-2 over an eight-month period from late 1994 through mid-1995. Wisconsin's Governor Tommy Thompson announced the completed W-2 proposal in August 1995. Enabling legislation was introduced in the Wisconsin legislature in October 1995, passed in March 1996, and signed into law on April 25, 1996. The program started for new applicants in September 1997, and existing AFDC participants who wished to do so transferred to

W-2 over the next seven months. W-2 is entirely funded by state and federal tax revenues. Although the program operates throughout the state, over 80 percent of participants since the program began have been residents of Milwaukee County, giving W-2, like New Hope, a Milwaukee focus.

The development of the two employment-based reforms at approximately the same time, in the same state, with some shared funding sources and a shared focus on the same city, have lent a sibling-like quality to New Hope and W-2, a sense that they are likely to have much in common. The programs do in fact share important common objectives and strategies for meeting those objectives.

COMMON OBJECTIVES AND STRATEGIES

The fundamental point of similarity is the centrality of work to both programs; neither provides cash assistance (except, in W-2, to parents with an infant under 12 weeks old) in the absence of work or full engagement in required activities. Both programs hold that work is important not just as income but as a source of social integration and personal dignity. The nonworking poor, says the introduction to the W-2 policy manual, should be encouraged to “enjoy the pride inherent in self-reliance.” A core belief of New Hope, reports the operations manual for that project, is that people want “to earn enough money to be able to take care of themselves and their families; to develop their capacities and powers; and to fulfill and express themselves in ways that contribute to the world around them.”

Both programs also emphasize a process of helping people connect to the labor market, stay in the labor market, and move toward greater economic security and independence. New Hope project materials are more descriptive of the complexities of this process than are the materials for W-2. The New Hope operations manual notes that many participants may not experience a smooth and linear transition to an independent financial life based on their own earnings. “There are no successes in anyone’s life,” says the manual, “without repeated failures. We value the learning that is based on success and failure.” The W-2 policy manual discusses participant backsliding only from the standpoint

of how case managers should respond to missed hours of assigned activity, an issue discussed further below. However, W-2 case managers have noted repeatedly in interviews we have conducted that, for many W-2 participants trying to move toward stable employment, the process can be quite difficult, and occasional or repeated problems are to be expected as participants struggle to comply with the terms of the employability plan each participant signs.

The two programs share several operational corollaries to their emphases on work, the personal dignity that derives from work, and the sometimes tortuous process which individuals may pursue in moving toward a stable job and financial independence. We discuss most of these more fully below when we compare how the programs have responded to common challenges, but it is useful as initial context to summarize briefly a few general operational similarities in the programs.

1. Both programs adhere generally to “work-first” principles. That is, both programs emphasize quick movement into jobs and de-emphasize extensive postsecondary and vocational training (although, as we describe below, W-2 places increasing emphasis on short-term vocational training for jobs with abundant entry-level openings, such as child care aides and certified nursing assistants).

2. Both programs offer Community Service Jobs (CSJs), created with public or project funds, as placements for those who do not find work in the regular labor market.

3. Both programs offer financial assistance to defray child care costs and obtain health insurance to help participants connect to the labor market.

KEY PROGRAM DIFFERENCES

Although the two programs share important common objectives and operational details, several key objectives and operational details also differ, in the following ways.

1. New Hope was intended to serve persons regardless of family status, whereas W-2 benefits are available only to parents with minor children. All adults over age 18, whose incomes

were at or below 150 percent of the federal poverty line and who were willing and able to work, were eligible for New Hope. By design, program eligibility under New Hope was unaffected by changes in a parent's custody status; some 25 percent of those served by New Hope either had no minor children or were not a caretaker of a minor child. W-2, in contrast, is available only to parents with minor children, and W-2 cash assistance is limited to parents who are resident caretakers of at least one minor child.

2. New Hope designers did not intend for their program to serve those who cannot work owing to significant physical or mental health problems, drug or alcohol abuse, or a need to care for a child with a disability, whereas a component of W-2 does serve such people. As an entirely work-based program, nothing in New Hope was designed for people who cannot work (except that the New Hope program did refer applicants who were in this condition to other agencies). In contrast, the lowest tier of W-2, W-2 Transition, is designed for such participants, some of whom may remain in that tier until they gain eligibility for the federal Supplemental Security Income (SSI) program.

3. New Hope was designed as a rigorous experimental test of a version of work-based social contracts for adults with incomes below the federal poverty line, whereas W-2 was presented and has served as a replacement for AFDC. The designers of New Hope expected that their project might prove itself through rigorous testing in two neighborhoods to be superior to AFDC and some day replace it. In operation, however, the New Hope experiment was, at least for single parents with minor children, an entirely voluntary option, or supplement, to the dominant AFDC (and later W-2) program. Potential participants in New Hope who were unable or unwilling to meet its demands could participate instead in the dominant program. In contrast, no alternative program exists for many W-2 participants. As a replacement for AFDC, W-2 must operate statewide. Program policies are established at the state level, and operations are carried out by 75 independent, local W-2 agencies, five of which are in Milwaukee County.

4. New Hope made extensive efforts to recruit eligible people into its program, whereas active recruitment has not (at least until recently) been a prominent feature of W-2. Until New Hope reached the size deemed necessary for an experimental evaluation, a key responsibility of New Hope case managers, whose formal title was project representative, was to recruit potential participants into the program through representing the project at church and other community settings in the neighborhoods covered by the program. W-2 has not contained this recruitment emphasis; those who wish to apply may do so, but W-2 case managers have not sought them out, and potential participants are made aware of other resources that may render W-2 unnecessary. W-2 agencies are not judged by the percentage of program eligibles in their community who participate in the program. (As we describe below, some Milwaukee W-2 agencies have recently begun more aggressive outreach in the communities in which they are located.)

5. For those in the programs, New Hope placed greater emphasis on taking advantage of all available services; in contrast, at least in its earliest months, W-2 emphasized what the policy manual calls the “light touch.” New Hope participants were urged to avail themselves of any “hard” services for which they were eligible, including federal programs like Food Stamps and housing assistance and New Hope child care assistance, health insurance, and wage subsidies. They were also urged to participate, if they wanted, in the governance of the New Hope Project and in evening social programs. Project representatives preferred to think of themselves as “gate-openers” rather than “gatekeepers” (Brock et al., 1997, p. 128). Managers regularly reviewed program records and asked the project managers why particular participants who appeared to be eligible for a New Hope service were not availing themselves of it. In contrast, although W-2 case management has become more aggressive as caseloads have declined, a guiding program principle remains the idea, expressed in the W-2 manual, that the program “should provide only as much service as an eligible person asks for or needs.”

6. Participants in New Hope were asked to help develop program policies, whereas W-2 is less aggressive in seeking advice from program participants. State contracts with W-2 agencies require them to maintain community advisory boards, and many of the boards are active in providing advice on a variety of topics. Some W-2 agencies include program participants on their advisory boards, although they are not required to do so. New Hope reserved six positions on its governing board for program participants and solicited participant opinions in other ways as well, including through comment cards and focus groups.

7. New Hope placed strong emphasis on assuring that its participants had an income above the federal poverty line; in contrast, W-2 asserts, as its program manual says, that “the best standard of fairness for those in W-2 is comparison with those who are working to support their families and have not asked for public assistance.” A basic element of the New Hope offer to potential participants held that, regardless of family size, if participants worked at least 30 hours a week, they would receive an income—including the New Hope wage supplement and the state and federal earned income credits (EIC)—at least equal to the federal poverty line. W-2, in keeping with its presumption that participants should receive income equivalent to the levels of low-income workers not claiming public benefits, provides grant levels which do not vary with family size and more closely match the minimum wage than the federal poverty line.

8. New Hope viewed its CSJ participants as workers, whereas W-2 views them as “jobseekers” not yet in real jobs. In consequence, New Hope participants in Community Service Jobs were eligible for earned income tax credits, paid Social Security payroll taxes, and became eligible for Social Security benefits and Unemployment Insurance. Participants in W-2 CSJs, in contrast, receive a grant rather than a wage, pay no income or payroll taxes, receive no earned income tax credits, and do not qualify for Unemployment Insurance or Social Security benefits.

RESPONSES TO COMMON CHALLENGES

Although the programs differ in important ways, both seek to move people who are poor and dependent on public assistance into stable jobs and financial independence. Both programs thus face several comparable tasks which must be accomplished within budget constraints. The common tasks, all of which present significant challenges, include coaching and counseling program participants in their moves toward independence, managing and training the staff who provide that function, responding to inevitable instances of noncompliance in programs that place heavy demands on participants, providing CSJs that both challenge and protect program participants, assuring that expensive vocational training resources are appropriately targeted, providing support for the child care and health insurance expenses of participants, helping participants avail themselves of other opportunities like the EIC, and giving staff and managers the information resources they need to assure that all these challenges are met. This section describes the varying ways the two programs have addressed these tasks.

Sources for the New Hope part of the comparison are a process and impact evaluation of New Hope by the Manpower Demonstration Research Corporation (Brock et al., 1997, and Bos et al., 1999), the New Hope Project operations manual, sample reports from the New Hope Project automated information system, and lengthy discussions with New Hope Project managers. The sources for W-2 are the W-2 policy manual, routine and special reports from the W-2 automated information system,¹ and over 35 interviews with state and local managers of the W-2 program and with W-2 case managers extending over 15 months, from February 1998 through April 1999.

It is important to bear in mind that W-2 has been in existence for a shorter time than New Hope and that some W-2 responses are still evolving. The transition from AFDC to W-2 occurred in the context of a decade-long reduction in the number of AFDC cases in Wisconsin. By 1997, at the onset of

¹One of the authors of this report helped design the automated information system in a previous job as Chief of Research and Statistics for the Wisconsin Division of Economic Assistance.

W-2, the AFDC caseload had fallen by 80 percent over the previous decade (from over 100,000 cases to about 22,000 cases). As Wisconsin officials developed final plans and budgets for W-2 agencies, AFDC/W-2 caseloads continued to fall faster than planners had anticipated, dropping, for example, by 50 percent between December 1996 and December 1997 and another 40 percent (to 13,093 cases) over the next 12 months. A key result of this caseload trend was a surplus of resources. The Wisconsin legislature had appropriated funds for the W-2 program, and state administrators had allocated funds to W-2 agencies, based on estimates of much higher caseloads. As a result, W-2 agencies could provide a higher level of service to each W-2 participant without worrying about cost overruns, cash flow problems, or difficulties in meeting net revenue projections. The unexpected level of financial comfort has reduced average W-2 caseloads carried by case managers and made possible new and still evolving conceptions of program possibilities.

A. Reps and FEPs: the Role of Case Management

In the history of the AFDC program, the role of case management has undergone a series of reversals, including, as the program was terminated, the minimalist version of case manager as data entry worker. The New Hope use of more empowered project representatives was one of the early demonstrations of an alternative theory of case management that perhaps heralds another reversal.

Case managers in the New Hope program, the “project reps,” had four major functions: “door openers,” job coaches, counselors, and benefit calculators. The “door opener” function started with the recruitment of participants to the project, since an important role, critical to the success of New Hope, was the recruitment and enrollment of participants from the New Hope neighborhoods. The function continued through frequent reminders to participants that they should take advantage of all benefits for which they were eligible both in and outside of New Hope and through efforts to make New Hope facilities a source of positive social networking for participants and their families.

New Hope project reps varied slightly in their activities as job coaches, some becoming more interventionist and acting on behalf of participants and others acting primarily in an advisory role, to encourage or assist participants in finding a new or better job. At minimum, job coach duties included discussions with participants about what kind of job they might want and be able to attain, job-search and job-application strategies, and the lessons to be derived from both positive and negative experiences in the labor market. A key strategy was to get the participant moving: reps sought to persuade each participant to express an employment goal (any employment goal, even if unrealistic given a participant's educational and work history, was thought to be desirable at least as a starting point); encourage some movement (even if small) toward that goal; and then frequently remind the participant of the steps achieved and of future steps that could flow naturally from the steps already completed. Project reps made a distinction between life goals (such as persuading a judge to allow a child in foster care to return to live with a parent) and employment goals. Reps would point out the connection between employment and life goals but tried to keep the participant's focus on the employment goals.

The counseling role was also subject to the individual tastes of project reps. None believed that they had the training to do real mental health or substance abuse counseling, but most believed that a form of counseling—conceived of as sympathetic listening—at least gave a helpful indication that the participant was worth listening to. Most also believed that sympathetic listening would allow reps to determine if program participants could benefit from referral to trained professionals, and some project reps believed that they could take the counseling role somewhat further, to help participants clarify their own problems.

Finally, each rep served as a benefits calculator. This was a fairly time-consuming task (perhaps 25–35 percent of project representative time) and involved reviewing wage stubs, calculating New Hope wage supplements (using worksheets and the automated benefits processing system), and calculating participant contributions to their child care and health insurance benefits.

The project reps viewed these roles as sometimes conflicting, and individual reps typically preferred some duties over others. The most common conflicts occurred during the week each month when intensive benefit processing occurred, after participants delivered their wage stubs to the New Hope office. During that period, while the monthly wage subsidies were calculated, job coaching and counseling duties often had to be held in abeyance. Project reps and their managers gave active consideration to dividing the duties of project reps to allow specialization in a few duties, generally those they liked the most and did the best, so that job coaching and counseling would be available throughout the month.

Managers and staff decided, however, that the four project rep duties were mutually reinforcing: discussions about New Hope wage subsidies might, for example, offer insights helpful in job coaching and counseling duties. Interaction with just one project rep also simplified the New Hope experience for program participants. Because New Hope required participants to work, and because workers are busy people—getting themselves to jobs and their children to child care, meeting the demands of bosses while also meeting the needs of their children and doing routine housework and shopping—New Hope managers felt an obligation to limit program interactions whenever possible to a single project rep, in an effort to reduce the complexity of participants' lives. The decision to maintain all-purpose project reps also simplified project management. Each project rep was clearly accountable for a group of project participants, and if several participants with the same project rep were having trouble, managers knew where to look to address the problem.

The original plans for W-2 created a separate “door opener/gatekeeper” position but centralized other case management duties in one staff member. The first contact with the program by a potential participant was designed to be with a gatekeeper, called a Resource Specialist (RSP), whose function is to gather information about the participant and make referrals to other sources of assistance, such as child support, the Food Stamp program, Medicaid, and child care. In the course of the appointment, the

Resource Specialist also begins to determine eligibility for W-2. The RSP may also encourage use of job-seeking tools, such as Jobnet. If diversion from W-2 is to occur, it will most likely happen at this stage, before application for W-2 is fully completed. As Thompson and Nathan (1999) have observed, the actual content of diversion activity in programs that emphasize diversion is subtle and hard to assess. Programs operate on a continuum from “nice” diversion—in which applicants for cash assistance are asked about their job interests, receive immediate help with job search and enrollment in other government programs, and are also clearly told that a time-limited grant program is available for them if they want it—to “not-so-nice” diversion, in which barriers are erected or applicants are urged to work their problems out over the next few weeks and call back at that time if they still face problems.

The initial plans in W-2 for a separate RSP role have undergone modification in some W-2 agencies. For these agencies, the strategy of diversion does not seem to have played a prominent role in the development of their mission. They interpreted the goal of helping people to move toward self-sufficiency as requiring extensive early interaction by general case managers (called Financial and Employment Planners, or FEPs) with potential participants. These agencies did not create a separate RSP job duty, and one key FEP function in the agencies appears to be similar to the New Hope function of “door opener.” Other W-2 agencies, however, have maintained a focus on diversion.

Potential enrollees who decide to apply for W-2 see a FEP, who has the case management functions of coordinator, job coach, and counselor. FEPs also enter data into the statewide W-2 computer system (the CARES system, which both provides management information and calculates program benefits). FEPs identify types of assistance that might be useful to the participant; develop with the participant an employability plan; encourage the participant to pursue all the steps identified in the plan; check on the status of the participant in meeting interim goals; coordinate access and referral to other providers and services; help solve problems and resolve crises; and determine whether absences from assigned activities should be excused for good cause.

FEP roles have also been modified in some agencies by a determination that the participant's sense of worth, already buffeted by hardships of poverty, violence, and perhaps racism, is crucial to the success of the enterprise. FEPs in these agencies are encouraged to provide extensive assistance to participants to minimize the possibility of failure in the labor market. They may call participants at home to make sure they get up to prepare their children and themselves for school and work, drive them to appointments or to child care when other options are not available, and provide reassurance and encouragement through extended verbal communication.

Wide variation is also apparent within agencies concerning the amount of interaction and coaching that a FEP chooses to give to an individual participant. It is not clear what elicits the various sets of behaviors displayed by the FEPs; in some fashion the personality and previous experiences of the FEP interact with the FEP's perceptions of the needs of the participant and the time constraints faced by the FEP to produce a continuum of interaction, enthusiasm, paternalism, and discipline directed to the participants. The structure of W-2 is designed to permit this kind of individual variation.

Although the case management role differs so extensively within and among Wisconsin W-2 agencies that generalization is difficult, several of the larger W-2 agencies seem to place more emphasis on trying to prevent firings or voluntary terminations after just a few weeks on a job than did New Hope, which focused instead on trying to help participants learn positive lessons from such an experience. The W-2 program also differs in that most W-2 agencies outside Milwaukee are the same agencies that previously operated AFDC, and the FEPs are frequently converted AFDC intake or eligibility workers. It is likely that this background has been a powerful factor in influencing the way in which they interact with participants, since they may have had years of experience in operating in a system which rigidly defined the need for, and permissible ways of, interacting with the participants.

Still, at least in the Milwaukee W-2 agencies, which handle over 80 percent of the W-2 participants in the state, the central job coaching duties of case managers are similar in many ways to the

job coaching performed by New Hope project reps. Participants in both programs are asked to quickly identify job objectives, sign an employability plan, and have frequent discussions with their case manager about progression on that plan. Case managers in both systems try to provide frequent positive comments about even small achievements in the employability plan. Along with these similarities, however, the relationship between participants and case managers in the two programs differed in subtle but important ways. Many New Hope participants entered the program with a form of power not available to W-2 participants, since those in New Hope could often quit the program and join AFDC. But New Hope also tried harder to convey a sense that participants had choices within the program—to choose, for example, to apply from among a range of Community Service Jobs presented to them, or to choose not to apply at all. W-2 participants also have choices; we have observed interactions with FEPs in which participants knew exactly the kind of Community Service Job and training they wanted from W-2 and successfully convinced their FEPs to make them available. But for the many participants who enter work-based programs without knowledge of what they want or uncomfortable in expressing a preference, New Hope project reps consciously tried to emphasize the availability of options which participants could or, in some cases, had to exercise in their move toward self-sufficiency.

B. The Use of Sanctions in Promoting Work or Full Engagement

The New Hope program had in one sense an all-or-nothing approach to assistance. If participants worked an average of 30 hours per week in the previous month (based on wage stubs which they were required to submit to their project rep), they were entitled to a wage subsidy, health insurance, and child care assistance. If their work hours fell under the minimum threshold, none of these benefits were available, although exceptions were allowed for up to two months for health care and child care benefits. The lack of assistance to those working under 30 hours per week was not conceptualized or presented as

a sanction for working too few hours, but rather through a positive orientation: if participants worked at least 30 hours per week, they became eligible for several benefits.

Alternatively conceptualized, however, New Hope imposed a sanction equal to 100 percent of benefits if participant work hours in a month fell under the average of 30 hours per week for more than two consecutive months. W-2 has a more graduated sanction policy. For those receiving grants in CSJ or W-2 Transition slots, the penalty is \$5.15 for each hour of failure to meet assigned activities without good cause. W-2 agencies can also apply a “strike” for repeated missed hours; an accumulation of three strikes makes a participant ineligible for future participation in the W-2 tier in which the strikes were generated.

W-2 agencies have been very limited in their use of strikes, and no W-2 participant has yet received three strikes in any W-2 tier. Sanctions for missed hours were also relatively rare in the first few months of W-2. In the five months between September 1997 and January 1998, 738 sanctions were imposed. This represented an average of about 150 cases per month, or less than 3 percent of the CSJ and W-2 Transitions caseload. The chief administrator of W-2 at the state level wrote W-2 agencies a memo on December 18, 1997, expressing a concern that agencies were failing to promote full engagement among participants and urging greater use of sanctions where appropriate. Since then, the number of sanctions for failure to participate has risen substantially. Sanctions were applied to between 26 percent and 29 percent of all cases statewide in CSJ and W-2 transition assignments in July, August, and September 1998. In March 1999, W-2 agencies in the state sanctioned 42 percent of CSJ and W-2 transition participants. The average penalty in March 1999 for CSJ participants who received a penalty was \$372, or 55 percent of the grant; for W-2 transition participants who received a penalty, it was \$212, or 34 percent of the grant.

No longitudinal information is available on sanctions, so that we cannot determine whether the monthly sanctions represent repeated sanctions against the same cases or whether sanctions applied once

or twice are successful in helping restore participant's compliance. Interviews with W-2 staff suggest growing concern about the sanctions, mistrust of the effectiveness of sanctions in increasing future compliance, and, as noted above, an increasing desire to take early steps that may increase the likelihood of participant success and reduce the incidence of noncompliance.

C. Community Service Jobs

Both New Hope and W-2 appear to regard the use of CSJs as in part a mechanism for improving the “soft” job skills of participants. Participants in CSJs are expected to learn appropriate work habits, such as timeliness, and to increase their ability to organize their lives so that their children get to child care and schools and they get to their CSJ assignments. Successful CSJ assignments also provide job history and job references useful for future steps in the labor market. New Hope, however, viewed CSJ slots not just as preparation for real jobs, but as supplemental jobs in periods of labor market tightness—never a prevalent condition of the Milwaukee labor market during the New Hope experiment.

New Hope imposed stricter time limits on CSJ placements than is the case in W-2, used CSJs for a smaller percentage of the caseload (about one-fourth of active participants used a CSJ at some point in their New Hope career), and characterized CSJ placements as “real jobs.” One of the features lending a “real job” character to New Hope CSJs, noted above, was that participants received an actual wage set by the hiring organization, paid normal income and payroll taxes, and received normal EIC and Social Security benefits. Another “real job” feature of New Hope CSJs was that participants had to apply for the job in the same way they would apply for an unsubsidized job and, if they received more than one offer, decide which to take. Although limited numbers of participants were part-time employees who also enrolled in part-time formal education, the New Hope CSJ positions were usually full time, and training was usually (but not always) limited to what a newly hired employee not part of New Hope would receive in the hiring organization. About one-fourth of the New Hope caseload was in a CSJ at any time.

Each CSJ was limited to 6 months, and New Hope participants could generally hold a maximum of two CSJs in their New Hope career.

In W-2, CSJs are characterized not as a real job but as one stop (or “rung”) on the way up the “ladder” to a job. Payments to CSJ participants are considered grants, set by legislative enactment and the same regardless of the assignment. W-2 participants are placed in a particular CSJ slot, based on their employability plan, and do not apply or compete against others for a CSJ slot. Some CSJ assignments are held temporarily in informal abeyance; participants in this informal status receive their CSJ grant but need not actually report for their assignment, while they handle such tasks as arranging for child care or satisfying short-term court-imposed obligations. The CSJ placements in W-2 are typically for 20–30 hours per week, and classroom training is a significant component of the week for many W-2 CSJ participants. The classroom training is likely to depend on the perceived needs of the participant and whether the participant is in the early or later stages of a CSJ. Many Milwaukee participants who are early in their CSJ assignment attend classroom motivational sessions that have almost a spiritual flavor and are intended to persuade participants of their job attainment and retainment possibilities. Later in the CSJ, the training is likely to be more directly vocational, offering instruction in jobs with extensive entry-level employment possibilities. At this stage, CSJ participants may spend 20 hours a week in a 12-week course giving instruction in a particular job and the other 20 hours per week actually performing that job as an intern. The hope is that participants who complete the course and internship can move directly into an unsubsidized position for which they have been training.

W-2 participants are limited to two years in the CSJ tier, and CSJ participants constitute a much larger share of the caseload at any time than was the case in New Hope. In March 1999, of the 10,572 open W-2 cases statewide, 5,003 participants were formally assigned to a CSJ (47 percent of all W-2 participants and 64 percent of those receiving a grant). Some of these were in informal abeyance.

W-2 agencies have adopted two basic models in identifying employment or employment-like positions into which a CSJ participant could be placed. The first, more similar to the New Hope approach, is to develop or identify positions in nonprofit organizations or, in some cases, with for-profit private employers. The second approach, adopted by some W-2 agencies in Milwaukee, is to develop businesses owned by the W-2 agency to provide employment positions. This approach offers several advantages to the W-2 agency. First, a successful business can yield profits which can be reinvested in the agency or distributed to stockholders. Second, under this configuration, it may be somewhat easier to take advantage of state regulations which have liberalized training rules by permitting additional formal classroom training as long as it occurs on the site of the CSJ placement. Finally, it may be easier to structure a CSJ to meet the individual needs of the participant if the CSJ site is part of a wholly owned business. CSJ slots in which most of the participant's coworkers are also in a CSJ offer a different experience, however, from CSJ slots in organizations with primarily non-CSJ employees. Most New Hope CSJ slots were in settings surrounded by regular employees, whereas W-2 CSJs are placed in both environments.

New Hope CSJs were thus considered "real jobs" in ways not characteristic of W-2 CSJs, and W-2 CSJs can be of longer duration and offer more vocational training than was the case in New Hope. Despite these differences, the CSJ components of W-2 and New Hope also have features in common. During the CSJ assignment, both FEPs and reps continue to assist participants in solving problems that prevent their timely appearance at the assignment. This could include help in planning for and arranging primary and back-up child care and transportation, coping with emergencies, completing employer-related forms, and learning to budget income. The role of the CSJ supervisor at the work site is also important in both W-2 and New Hope. The supervisors are expected to provide job-related instruction and direction and help participants learn to take direction, interact with fellow employees, and understand the consequences of failure to perform.

D. Formal Training of Program Participants

The role of formal education in promoting an escape from poverty has been the subject of lengthy debate. During the prepilot New Hope phase, staff concluded that some participants needed more than work experience to get a job in the regular labor market. To encourage CSJ participants to increase their educational or vocational skills, New Hope permitted them to attend up to 10 hours of school or training each week and to be paid for this time, provided that they also worked at least 30 hours per week in their regular CSJ assignments. Between 10 percent and 20 percent of CSJ participants selected this option.

New Hope also provided the opportunity for some participants to learn an occupational skill as a member of a small work team. This option required the same full-time work in a nonprofit agency characteristic of most CSJ slots, but the work team participants were more closely supervised and given greater instruction in occupational or vocational skills while in the CSJ slot. New Hope work teams were offered in manufacturing and housing renovation/lead abatement.

Like New Hope, W-2 is based on a labor-force-attachment theory of improving life chances. The planners of W-2 explicitly eliminated the option to pursue full-time or mostly full-time postsecondary education from the menu of possible options. In the original planning for CSJs, formal classroom training was permitted to account for no more than 10 hours of a 40-hour-per-week placement. When advocates and some members of the Wisconsin legislature raised concerns, Governor Thompson appointed a W-2 Education and Training Committee to assess the role of education in achieving the goals of W-2. Partly at the suggestion of that committee, W-2 policies on formal classroom training have undergone modification. Training of more than 10 hours per week can now be provided if it occurs at the CSJ job site.

Some, but not all, W-2 agencies have adopted strategies to expand the hours of formal classroom training, particularly by providing job-specific literacy and numeracy training at CSJ sites. An

examination of a CARES activity report for Milwaukee W-2 agencies for the week ending April 9, 1999, indicates that, among the five agencies, the percentage of participants assigned to at least 10 hours per week of high school equivalency, basic education, and literacy and numeracy training ranged from a low of 23 percent to a high of 77 percent.

E. Staff Training

Because welfare-to-work programs inherently give discretion to case managers, the training of both new and continuing case managers is likely to be a critical component of program success. New Hope and W-2 have generally common strategies for the training of continuing employees. A key training element in both systems is routine interaction between supervisors and their staff. New Hope managers reviewed status reports on program participants frequently and asked staff about possible problems—what they had done to make contact with a person not seen recently, what kind of CSJ might be appropriate for a particular person, etc. W-2 supervisors also periodically review cases with FEPs, using automatically generated activity reports and “full-engagement exception” reports produced by CARES. Because of time limits in W-2, supervisors and case managers appear to focus most on strategies for participants who are “stuck” in a particular W-2 tier.

W-2 agencies and New Hope also have periodic meetings with all staff. The meetings contain a staff training component, because they are in part designed to develop a shared sense of the agency’s mission, goals, and strategies for achieving them. New Hope managers used the staff meetings to report on presentations given to constituencies in Milwaukee, Wisconsin state government, the federal government, and organizations potentially interested in replicating parts of New Hope. These reports helped to foster a sense of pride and shared mission.

One difference between New Hope and W-2 approaches to the training of experienced staff stems from the more layered governance structure of W-2. Both the state Department of Workforce

Development (DWD) and the local W-2 agency may change policies in ways that require new training. When the state makes a change, DWD usually offers regional training throughout the state to provide instruction to workers concerning the modification.

For new hires, a part of the training is more formal in W-2 than in New Hope. In both systems, much training occurs through shadowing an experienced worker for a time, watching that worker perform facets of the job, and then performing more and more of the job activities, first in the presence of the experienced worker and then independently for a growing caseload. The W-2 system, however, also relies heavily on DWD for the training of new workers. Several W-2 agencies we interviewed reported that the training was good and the trainers knowledgeable about the programs. Statewide training is efficient in part because the CARES computer system imposes some standardization and is complex enough to require considerable instruction. In some cases, however, W-2 agency managers believe that the DWD-provided training may not be entirely consistent with the mission adopted by the local agency. One agency has adopted informal ways of “retraining” new workers in the areas of perceived conflict after they receive their state training. Another agency does not use DWD-provided training at all, owing to concern over potential confusion in interpretations of agency mission, and has instead received approval from DWD to provide its own training of new hires.

F. Child Care Assistance

New Hope participants who had at least one dependent child under age 13 were eligible to receive financial help to defray the expense of child care. Because problems with child care can result in unintended absences from work, project reps encouraged participants to find reliable, good-quality child care providers. The providers had to be certified or licensed by Milwaukee County or the state, and they sent their bills to the New Hope program. New Hope paid the providers directly, up to a maximum daily rate, for child care given to the children of New Hope participants. The participants also paid a monthly

copayment, the level of which varied with earnings, to the child care provider. Child care was available to those in CSJs or other work, assuming, as with other New Hope benefits, that the participant worked at least 30 hours a week. Unemployed participants were offered child care assistance for up to three hours per day for three weeks if they were looking for work. Participants were expected to find a child care provider and complete, with the provider, a child care provider agreement.

Administrative difficulties in the child care referral, assignment, and processes arose in both New Hope and W-2. New Hope ultimately designated one of its project reps to become especially familiar with child care issues and to work with the accounting and automated systems units in New Hope to identify problems and suggest policy or system changes in response. In W-2, Milwaukee participants who were eligible for state child care funds (generally, parents entering the child care assistance program with incomes less than 165 per cent of the poverty line and, after entry, with incomes below 200 percent of the poverty line) must secure a licensed or certified provider who then bills Milwaukee County for the cost of care, less a required copayment, which the participant pays directly. In the early implementation of W-2, substantial problems, sometimes leading to long delays in obtaining child care for participants, existed in the referral connections between the W-2 agencies and Milwaukee County. The state provided funds to help Milwaukee County hire more administrative staff in their child care unit, and many of the early problems seem to have abated. The state has also expanded child care assistance eligibility to parents obtaining employment skills training, if the parents have been employed for nine months.

Some W-2 agencies operate emergency child care facilities at their job center to help participants in the event of provider emergency. Many of the larger CSJ sites also provide on-site day care. The state had budgeted for child care in the expectation that 77,000 children would participate, and currently only about 30,000 do so. The governor has proposed that some of the child care underspending be devoted to a reduction in participant copayments. Some problems are still reported in obtaining child care for shift

workers and for children who are ill. In addition, transportation to child care sites has sometimes proved to be a challenge.

In both programs, fewer participants used the child care subsidy, at least during the early phases of program development, than might have been expected. During the first year after entry into New Hope, about 36 percent of single parents used New Hope child care assistance in at least one month. In the fifth calendar quarter of W-2, despite the fact that almost two-thirds of cases included a pre-school-age child, only about 28 percent of W-2 participants used W-2 child care assistance at some time in the quarter.²

G. Earned Income Credit

Wisconsin has a relatively generous state EIC, even by comparison with the few other states that have instituted their own credit. The state credit, in combination with the federal EIC, can provide needed additional cash to low-income workers. A challenge to self-sufficiency programs is to assist participants in making the best use of tax credits. A part of the challenge is deciding whether to select the advanced EIC option (available only for the federal credit) or to await the lump-sum amount available at tax-filing time.

At New Hope, the EIC was discussed at the orientation session, before people had decided whether or not to participate. After enrollment, New Hope staff tried to advertise the availability of the EIC. Posters in the offices announced the availability of the EIC; letters were sent to remind participants of its existence. The advanced EIC was a prominent part of the benefit tables which determined the New Hope wage supplement and was a subject of frequent discussions between project reps and many participants. Despite this emphasis, New Hope staff believe that many participants chose not to take the

²The child care assistance numbers for New Hope come from Brock et al. (1997), Table 9.6. The W-2 figures are from an ongoing Institute for Research on Poverty evaluation of W-2 child support policies; see Bartfeld, Cancian, and Meyer (1999), Table 3A.

advanced EIC. Owing to participant reluctance, the emphasis of New Hope staff changed over time from one of ardently promoting the advanced EIC to making sure that participants could make an informed decision about its use.

W-2 agencies also heavily promote the use of the advanced EIC, apparently with mixed results. FEPs actively assist participants in filing the necessary forms. Some agencies report that few people opt for the advanced EIC, whereas others report that almost everyone does. Some agencies include the EIC in their discussions and training about budgeting and managing income, particularly for those participants who opted for the lump-sum EIC and have received a check substantially larger than they are accustomed to receiving. The W-2 benefit structure (\$673 per month for CSJ and \$628 for Transition participants) makes no direct assumptions about the EIC.

H. Transportation

Urban transportation can pose a variety of challenges for low-income workers. Public transportation is available, but not every child care center or job site is easily accessible. Cars are sometimes available, but many participants face driver's licensing problems. At New Hope, CSJ developers succeeded in identifying many CSJs within or close to the relatively confined New Hope Project geographic boundaries, which eased transportation problems for CSJ participants. During some phases of the program, New Hope maintained a supply of bus passes, and participants could use a small loan program operated by New Hope to purchase bus passes. In addition, about 50 percent of the participants at random assignment to treatment and control groups indicated that they had access to a car.

W-2 agencies report that transportation poses a significant barrier for a small percentage of their participants who are ready to enter the private sector labor market. Jobs are frequently not located near either the child care site or the home of the participants. Busing between home, child care, and work can require four or five hours a day in transit time. Missing one bus connection can result in delays so

significant the participant may decide it is not worth continuing for that day. Car ownership is not widespread and the cars tend to be unreliable. The agencies also report that many of their participants lack a valid driver's license, and several agencies work with legal or paralegal providers to resolve these issues. Bus passes are available at most agencies, and some agencies operate their own vans or contract with others for van services. In general, W-2 agencies in Milwaukee report transportation problems that are more severe than those reported by New Hope. One W-2 agency reported that transportation issues proved so difficult to resolve for one (otherwise appealing) job site that the agency stopped trying to place people there.

I. Health Insurance

Publicly provided health insurance is available to many, but not all, low-income individuals and families. The availability of health insurance is important to the success of self-sufficiency efforts, and the threat of its loss may affect employment and welfare decisions. At New Hope, many participants and staff reported that health insurance was the most valuable service available. To qualify for New Hope health insurance, participants had to work at least 30 hours per week. Once participants were determined to be eligible, reps provided an overview of the coverage and encouraged them to make an informed decision about which insurance provider to select. During most of the full implementation phase of the project, participants could choose one of two large HMOs in Milwaukee. Each of the HMOs included in its provider panel many of the providers in the New Hope neighborhoods. New Hope paid the HMOs a monthly premium directly and billed the participants' share of the premiums to the participants. The shares of the premium paid by the participant depended on ability to pay and ranged from \$168 to \$1,548 annually for a family of three or more. Not all New Hope participants received New Hope health insurance, since some were eligible for Medicaid and others received health insurance through their employers. If employer-sponsored health insurance required premiums higher than those charged by New

Hope, New Hope made up the difference. The New Hope health insurance was available as a last resort if other insurance could not be attained. The two HMOs with New Hope contracts reported that their costs for New Hope recipients exceeded their charges to New Hope and that the excess costs represented a corporate contribution to New Hope.

Most W-2 participants in CSJ or Transition placements are eligible for and receive Medicaid. Some participants who leave paid placements for private employment can qualify to continue to receive Medicaid for up to a year. Other participants obtain employer-provided health insurance. Agencies indicated that some participants were willing to continue in the private labor market even without health insurance for themselves because their children continued to be eligible for Medicaid (owing to higher income eligibility thresholds and the availability of Medicaid “spend-down” policies for children). All agencies contacted indicated that health insurance was a problem for some of their departing participants, and probably contributed to the return to W-2 of some participants. They looked forward to the implementation of BadgerCare in July 1999, under which Medicaid benefits would be provided to families up to 200 percent of the poverty line.

J. Time Limits

Since the enactment of federal welfare reform in 1996, time limits imposed under that reform (no cash benefits beyond five years for at least 80 percent of each state’s caseload) have generated much attention. Time limits act as an incentive to become independent but are also a guillotine, chopping off access to cash assistance.

Time limits in New Hope were of two kinds. Participants were limited to six months in each CSJ position and one year total in CSJs. In addition, participants were limited to three years total in the New Hope program. The three-year limit was imposed by the experimental nature of the program and was not a feature which program designers would have established in a permanently operating New Hope.

Because the focus of New Hope was expressly experimental, designed to test how a series of interventions over a limited period would affect subsequent performance in the labor market, and because alternative public programs were available for many New Hope participants, the three-year limit in New Hope was never perceived as problematic.

W-2 participants also face two types of time limits: the two-year limit on continuation in a single type of paid placement, and the five-year limit on total paid placement. The earliest date any W-2 participant can be subject to the five-year limit will be in 2002, but a few participants who received the experimental Work Not Welfare program in Fond du Lac and Pierce counties are now reaching their two-year time limits.

W-2 agencies and workers vary in their philosophy of using time limits as a tool. Some see time limits as an additional reason that a potential participant should opt for diversion, thus “saving” the limited benefit receipt for a time when “they really need it.” Others operate on a more open door theory, believing that two years or five years provides sufficient opportunity to become employed, and hoping to deal with the time limit problem if it approaches.

Some agencies have initiated a kind of “intensive case management,” in which those participants whose remaining eligibility is short (either for the placement or the aggregate) are assigned to FEPs who have very low caseloads (approximately 10 participants). The plan is to provide intensive case management services to these participants. However, in some cases, the agencies are not confident of their ability to assist these participants to become more self-sufficient, and believe that these participants will become part of the group for whom agencies will request exemption from the time limit.

K. Information Management

The tasks of monitoring, understanding, and evaluating programs and their operations have not traditionally been viewed as sufficient reasons for the collection and analysis of data in social programs.

Data collection in such programs is costly, and the benefits of data collection and analysis have long been perceived as minor compared to the costs. Managers seeking information about their programs for monitoring or evaluation purposes thus made do with data collected primarily for other reasons, such as benefit calculation or mandatory reporting requirements to other governmental levels.

Perhaps because New Hope was conceived as a research project, managers gave considerable attention to collecting data that would provide readily available information about the status of the program and its participants and be amenable to later analysis by evaluators. New Hope used a custom-built, PC-based benefits processing and tracking system, capable of generating a variety of client histories (benefits, last contact, child care vouchers issued, CSJ history, etc.) and a variety of status reports by worker and agency (weekly client summary by worker, summary of CSJ assignments with starting and end dates, history of CSJ duration by participant, summary of reasons for leaving CSJs, type of CSJ assignment). The system permitted generation of reports by individual reps (so that reps and managers could review participant status), by CSJ site or type, and by participant characteristic.

Under the state contract with W-2 agencies, the primary automated system used by W-2 agencies is CARES, which is maintained by DWD. Urban agencies have access both to automated on-line reports and to weekly and monthly data files extracted from CARES. CARES also provides an on-line query system, which can produce aggregate or individual-level reports using component data from CARES. Through CARES, workers can also query other state data bases, such as the Unemployment Insurance Wage Record, Department of Transportation driver's and car license records, and SSI information. CARES also has an interface with KIDS, the DWD child support record system, so some information about child support is displayed in CARES.

Most agencies report that they use the automated on-line reports, and some generate their own reports using CARES extract files. The automated on-line reports include biweekly activity summaries

which identify W-2 status and length-in-status by participant and worker, a monthly case directory (an individual end-of-month listing of participant status and history), and a series of aggregate reports.

CARES has more than 500 different screens and is not easy to learn to use. Times of great change (such as during the transition to W-2) and the first efforts of new workers tend to generate much “ad hoc” data entry, making the data contained in CARES something of a challenge to interpret. Analysis of an activity report for the week ending April 9, 1999, suggests that individual agencies have different “rules of thumb” for workers to use in coding information in CARES. Agencies and workers express concern that data entered for one purpose might be used inappropriately for other purposes. Some agencies or individual FEPs, for example, have adopted a strategy of not entering wage rates and hours worked on some CARES screens designed for that data, out of concern that such information could be used to identify Food Stamp benefit calculation errors, which carry a financial penalty for the state and the agency. To cope with some of the problems perceived with CARES, some agencies have developed other tracking systems that include data downloaded from CARES coupled with other information not contained in CARES.

Although the CARES system appears to offer a wealth of useful data, especially in comparison to management information systems available in some other states, managers still face many challenges, some of them partially contradictory. The challenges include simplifying CARES enough so that workers and agencies do not develop their own “rule-of-thumb” simplifications (while maintaining the data richness of the system), assuring that the data can be used for judging individual program effectiveness (while not making the consequences so threatening that programs and workers have an incentive to omit data entry), and improving routine reports available from the system.

L. Program Evaluation

New Hope was started at a time of increasing dissatisfaction with traditional welfare programs. Little was known about strategies that might have better income security and labor market outcomes. New Hope was designed to provide a comprehensive approach to reducing poverty, reforming welfare, and addressing the economic insecurity of low-income workers. Program designers took their evaluation responsibilities seriously, seeking a careful evaluation of New Hope to determine program impacts on use of benefits and services, employment and economic well-being, and aspects of more general well-being. The New Hope Project contracted with a respected national evaluation firm, the Manpower Demonstration Research Corporation (MDRC), and raised funds for an experimental evaluation with randomly selected treatment and control groups.

Evaluations of programs with multiple features are inevitably challenging, in part because the evaluations are often asked to serve varied purposes, from assessing the impact of the overall program, to measuring the impact of individual program features, to comparing the program as implemented to earlier intentions, to enhancing possibilities for continuous program improvements. Even very large evaluations must concentrate on a few of these purposes at the expense of others. The New Hope evaluation emphasized measurement of the impact of the overall program, a major challenge in itself. Because assignment to treatment and control groups could occur only after potential participants had expressed an interest in entering New Hope, evaluators knew that the control group not receiving services might be different from demographically similar members of the New Hope neighborhoods who did not enter the program. At an initial meeting on New Hope, for example, control group members heard descriptions of programs, such as the EIC, which gave them knowledge not available to all other members of their neighborhood. Although the evaluation team took steps to assess this potential “contamination” of the control group through an extensive survey of residents of the New Hope neighborhoods, even the best of designs could only minimize, not eliminate, such evaluation problems.

The designers of W-2 were also responding to broad dissatisfaction with traditional welfare programs. As part of the terms and conditions of various federal waivers permitting the conduct of demonstration programs that predated W-2, the state had to attempt to evaluate the demonstrations. Even for these more limited demonstrations, DWD managers perceived institutional barriers to the implementation of full-scale classical experiments, and they were very reluctant to use an experimental design to evaluate W-2. The sources of this reluctance were varied; a few critics charged that the state really did not want to know the success of the programs. Some DWD concerns about experimental evaluations were, however, quite valid. It was hard to imagine, for example, that a program designed in part to change the fundamental social messages government conveyed about the relative desirability of cash grants and a job could be broadly effective without “contaminating” a control group that would still receive the traditional AFDC.

It is probably fair to say that no perfect alternative to experimental evaluation has emerged for the evaluation of W-2. In an effort to respond to the evaluation challenge without using an experimental design, Governor Thompson created a W-2 Management Evaluation Program (MEP). The MEP has actively stimulated several evaluation projects, although it more typically reviews proposals made by others and formally sponsors some of those proposals. Sponsorship gives a project some advantage in obtaining data from the state, although projects not sponsored can also obtain data. The MEP has so far endorsed 17 evaluation projects. These range from impact evaluations of programmatic precursors of W-2, to studies of the child support components of W-2 and other Wisconsin child support experiments, to a W-2 implementation study in Milwaukee, to several projects which utilize or seek to expand the use of administrative data for program evaluation purposes, to surveys of people making initial contact with the W-2 system, or leaving the program, or participating in Head Start. The 17 projects are described in the appendix.

SUMMARY AND CONCLUSION

The New Hope and W-2 programs share important common objectives and strategies, both emphasizing employment-based welfare reform in a similar geographic area and time. New Hope case managers focused more on opening doors to broad program access and offering options to participants than is the case in W-2, although some W-2 agencies have always promoted broad access and more appear to be doing so. Case managers in both programs spend much of their time acting as job coaches and entering program data and calculating program benefits. W-2 has a more graduated sanctions policy for failure to meet the terms of its individualized employability plans, but W-2 sanctions are now applied to about 40 percent of the caseload. New Hope treated CSJs, which the project arranged and funded, as equivalent to real jobs with fringe benefits, whereas CSJs in W-2 are viewed as steps in the ladder to real positions in the unsubsidized labor market. W-2 agencies use short-term classroom vocational education increasingly, and more than did New Hope. Both programs provide child care and health care assistance but collect participant premiums for health care assistance differently, and both programs emphasize participant use of the EIC, although New Hope more fully integrated the EIC into its benefit structure. The two programs operate under different structures—one as an experiment with its own case management staff and one as a contractor for services from 75 independent agencies—which impose some parallel and some distinct management information and evaluation challenges.

In designing their programs, the originators of New Hope and W-2 were responding to broad dissatisfaction with traditional welfare programs and a concern that decades of experience with economic incentives and training programs had produced inadequate results. Planners of both programs turned to approaches that relied on techniques of close supervision by case managers. Both did away with the concept of absolute entitlement to benefits, seeking to motivate participants through an interlocked set of obligations which, when fulfilled, earned benefits. Interest in such approaches has grown nationwide,

suggesting that policy planners may learn much from the varied strategies of the two Wisconsin programs.

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Appendix

Evaluation Projects Sponsored by the Wisconsin Department of Workforce Development Management Evaluation Plan

1. *Wisconsin Public Assistance Database (WISPAD)*. This project creates longitudinal files from administrative data collected on families receiving public assistance in Wisconsin. The purpose of the project is to merge files on individual families across administrative data sources (for example, data collected in the CARES system, in the child welfare information system, and the employment and earnings data in the Unemployment Insurance system) and across years in ways that protect family confidentiality but would in the future allow limited access by a variety of researchers. This is now a joint project of the DWD and Institute for Research on Poverty (IRP), at the University of Wisconsin–Madison.
2. *Self-Sufficiency First/Pay for Performance*. This evaluation, now being conducted by IRP researchers, attempts to measure the impact of the Self-Sufficiency First and Pay for Performance programs, which operated as transitions to W-2 starting in March 1996. For the first 14 months of these projects, participants in four counties were randomly assigned to treatment and control groups.
3. *Implementation of W-2 in Milwaukee*. In cooperation with DWD, MDRC is conducting a study of the early implementation of W-2 among the five private agencies administering the program in Milwaukee.
4. *Expansion of the National Survey of America's Families in Wisconsin*. The state has secured foundation funding for the expansion of the Wisconsin sample size of this national survey, which is being conducted by the Urban Institute to gauge the effects of TANF. The sample is large enough to be representative of Milwaukee County as well as the state as a whole.
5. *IRP Survey of Milwaukee Families Who Contact W-2 Agencies*. This survey, conducted by IRP with resources from the Joyce Foundation and the U.S. Department of Health and Human Services, will survey 1,000 Milwaukee families after their initial contacts with W-2 agencies and again one year later. The survey strategy and instruments were developed from earlier surveys of families which had some contact with the W-2 program or previous welfare reforms in Dane County, Wisconsin.
6. *Hudson Institute and Mathematica Policy Research Survey of Families Leaving or Avoiding AFDC in Milwaukee*. This survey effort is an attempt to better understand the motivations and impacts of the large AFDC caseload decline that occurred in Milwaukee before the start of W-2.
7. *AFDC Baseline*. This study by IRP researchers is an effort to use administrative data to study the labor market and income progression of AFDC participants in the early 1990s. The study will serve as a point of reference and comparison with the labor market and income progression of W-2 participants after that program has been operating for several years.
8. *Study of Leavers from W-2*. This is a continuing study being conducted by DWD staff. It uses administrative data and a questionnaire in an effort to better understand the motivations and well-being of families who left the W-2 program.

9. *Leavers from AFDC*. This study by IRP researchers uses administrative data to assess the labor force participation, earnings, and incomes of the full population of single, adult women who left AFDC between July 1995 and June 1996.
10. *Child Support Waiver Demonstration Evaluation*. This is an IRP evaluation of the impact of the full pass-through of child support to families under W-2. Some families were randomly assigned to the full pass-through and some to a reduced pass-through.
11. *Children First*. This study, conducted by DWD, examines the effects of the Children First program, which was implemented between 1994 and 1996 with assignment to control and experimental status in Racine County, and in other counties with no assignment. The program required noncustodial parents in child support payment arrears to participate in various job search activities or face further legal penalties. The goal of the program is to improve the parent's ability to make child support payments.
12. *Experiences of Dane County W-2 Participants*. This longitudinal study, being conducted by IRP, uses administrative data and a two-wave survey to understand experiences of participants who transferred from AFDC to W-2 and of new applicants. It is funded by the U.S. Department of Health and Human Services, the Joyce Foundation, and the University of Wisconsin.
13. *Milwaukee Employer Survey*. Under the direction of Harry Holzer of Michigan State University, this study is a survey of 750 employers in Milwaukee to examine their need for, and experience with, TANF participants and their willingness to hire them. A similar survey is underway in Chicago, Cleveland, Los Angeles and Detroit/Flint.
14. *New Hope Project*. This is the study conducted by MDRC, described in the text.
15. *Linked Administrative Data: CARES and the Human Services Reporting System (HSRS)*. With funding from the U.S. Department of Health and Human Services, IRP is studying the feasibility of linking HSRS data (which contains foster care and other child welfare and human services data) to CARES. IRP is examining the HSRS data base, establishing a prototype link to CARES, and assessing the feasibility of continuing the link and strategies for doing so.
16. *Team Parenting Demonstration*. This project, in Racine County, is one of eight around the country being evaluated by the federal Office of Child Support Enforcement. The program provides services to noncustodial parents in an effort to improve paternity establishment and increase child support and nonfinancial support for their children.
17. *Head Start Collaboration Study*. Conducted by the University of Wisconsin–Milwaukee Center for Economic Development, this study involves focus groups with low-income working parents concerning their use of child care and a survey of all current and former Head Start participants.