

Meeting Minutes

Rural Welfare to Work Strategies

June 28-29, 1999

JUNE 28, 1999

The second meeting of grantees for the Administration for Children and Families (ACF) Rural Welfare to Work Strategies project was held June 28-29, 1999, at the Humphrey Building, Washington, DC. Representatives from the following States attended: Illinois, Iowa, Louisiana, Maryland, Minnesota, Mississippi, Missouri, New York, Vermont, and Washington.

Welcome

Mary Ann MacKenzie, Office of Planning, Research, and Evaluation (OPRE), ACF, welcomed grantees and noted ACF's excitement about the initiative, which is on the cutting edge of welfare reform research. Over 19 States have a population that is more than 30 percent rural. The goal of this initiative is to identify what is working in rural welfare reform and to foster collaboration among States in future efforts.

Keynote Address

Evelyn Ganzglass, National Governors' Association, presented the keynote address. Ms. Ganzglass noted that this is a "heady" time for welfare reform in that the combination of a strong economy and ample reserve funds created by caseload declines provide significant opportunity to make a lasting impression on the welfare system. It is important to have a clear vision of what to accomplish in this environment to ensure that funds are used in a strategic manner and opportunity is not lost.

Ms. Ganzglass suggested that the vision for rural welfare reform should be community economic development, rather than the narrower focus of helping individual TANF families achieve self-sufficiency. Having an economic development goal doesn't mean not working with families to help them overcome their barriers to self-sufficiency, but rather that employers and the wider community are targets of efforts as much as individual clients and families.

Focusing on economic development is a place-based rather than individual or family strategy.

This strategy builds on community strengths and serves the dual purpose of helping families and addressing many of the structural problems that keep too many rural families in poverty.

These problems include a shortage of good jobs and inadequate child care, transportation, and housing systems. Since a place-based approach serves the broader community, not just welfare recipients, it is likely to gain greater community support and involvement than most welfare to work programs.

A main goal of workforce development investments through TANF and other sources should be to stimulate local economic development and support community-based activities that improve the community infrastructure needed to create and sustain employment. These goals can be achieved in ways that are consistent with the second purpose of Federal welfare reform legislation: "To end dependence of needy parents by promoting job preparation, work, and marriage."

It is important to highlight the following observations about the "new economy" in which rural welfare reform strategies are or will be operating:

- The U.S. economy is becoming more integrated into the world economy-every rural community is competing globally whether it intends to or not.
- In the past, rural communities created value almost entirely by turning natural resources into products; now information is becoming the nation's most important commodity.
- More jobs than ever are technology driven, and the use of technology has improved productivity so much that in the last 4 years real wages of American workers have risen.
- The fastest growing firms are called "gazelles." These firms are small, highly flexible, and very entrepreneurial. They tend to locate in places with a highly trained workforce, a pro-entrepreneurial culture, access to venture capital, and an attractive life-style for workers. These places are all over and often not in large cities.
- Firms tend to cluster in mutually beneficial ways. For example, the wine industry has attracted equipment manufacturers and magazine publishers; it has also increased tourism.
- Much of the economy is decentralizing and being deregulated, creating both opportunities and challenges.
- Previously regulated industries such as public utilities, airlines, and banking have been deregulated .
- Centralized and hierarchical corporate structures are giving way to flexible strategic alliances.
- Manufacturing firms are smaller than before, which means they can locate in smaller labor markets.
- Firms have greater mobility/faster product innovation cycles and increasingly use rapidly changing technology. This means that firms do not have to stay in one location that long, making it harder to retain jobs and easier to recruit jobs. These geographically mobile firms expect incentives when relocating.

Although States have been providing tax breaks and other enticements to attract new jobs or retain existing ones, economic development experts increasingly agree that training workers to meet employer needs is a better investment because it builds human capital that tends to stay in the community even if the company leaves.

Almost all States have customized training programs that work with new and existing firms to train new and incumbent workers to company specifications. Most programs are run out of the economic development agency and many are linked to community colleges.

The following are lessons for the rural welfare to work initiative:

1. It is important to link welfare to work efforts to State customized training programs. NGA's Center for Best Practices has completed a report on training programs in 48 States. The executive summary of this report is on the workforce development page of NGA's Website (www.nga.org).
2. Become aware of your States' and counties' economic development goals. Identify which industries are being targeted for growth, especially in rural areas, what is being done to help existing firms grow, and what is being done to attract new firms.
3. Focus workforce development investments on industries that pay decent wages and have the potential to grow.

In applying these lessons, work with clusters of firms to strengthen existing businesses and attract additional businesses. Such strategies are called sectoral approaches. Research has shown that earnings in rural industry clusters are about 13 percent higher than those outside the cluster. By clustering together, employers can also cooperate in addressing their shared training, transportation, and child care needs. Examples of multi-employer job retention and skill upgrading programs are included in "Working Out of Poverty," a report issued by NGA last year. Examples of public/private partnerships addressing child care needs in rural areas can be found at the Child

Care Partnership Website at <http://nccic.org/ccpartnerships>.

In a rural area, a reasonable focus might be on industries that provide jobs to complement seasonal employment and capitalize on the good quality of life in smaller communities. Given the nature of the new economy, opportunities for small communities are wider than ever.

A sectoral approach can be used with strategies that are consistent with a "work first" philosophy. These strategies include (1) public and private job creation efforts that combine work with skill building activities; and (2) entrepreneurial development programs including those focused on microenterprise development.

Public job creation programs are usually designed to help individuals develop work-related skills through work-based learning, give workers a track record that will convince employers to hire them, and address some community need.

In a rural economy with much seasonal employment, subsidized employment can be provided in the off-season as a skill building and transitional strategy leading to year-round employment. It can be used to enhance the physical infrastructure of communities and strengthen employment support systems. Service and conservation corps can be effective partners in mounting such programs.

Training programs can be created to help produce goods and services that are in demand within the marketplace. These programs generate income and can become self-sustaining enterprises that feed the profit back into the enterprise.

Training enterprises can become an integral part of a sectoral economic development strategy by building human capital in target growth industries. They can test the market for new products and services demonstrating the feasibility of a new endeavor. In this way, they can potentially serve as the catalyst for spawning new for-profit or non-profit enterprises in the targeted field. Such training enterprises can be run through schools, churches, intermediary organizations such as community development corporations (CDCs), other community-based organizations, and chambers of commerce.

To the extent that these enterprises create wage-paying jobs, they can raise family income by qualifying workers for the earned income tax credit. This can raise family income as much as 40 percent.

Subsidized employment in the private sector can serve the same skill building and transitional purposes as programs in the public and non-profit sectors. In addition, it can strengthen the capacity of businesses that are already in rural communities to modernize, to grow, and to serve as good employers of hard-to-place welfare recipients.

Both businesses and former welfare recipients are customers of job retention and career advancement supports such as:

- Supervisor training on how to work with new employees who may be dealing with multiple issues.
- Upgrade training to help workers become more productive, earn more, and advance up the career ladder.
- Assistance in creating new opportunities for the on-the-job learning by using technology, working in teams, and providing space and time for peer learning.

Improving workplace conditions and expanding career advancement opportunities for needy parents benefits all workers, not just those leaving welfare for work. Strategies that help firms become better employers are especially important where there are many small employers that don't have the knowledge or resources to make improvements on their own.

The evaluation of the New Hope project in Milwaukee, which included opportunities for subsidized employment, documented how people already working in low wage jobs used subsidized

employment as a way to gain skills and experience that would qualify them for better jobs.

Another application of a sectoral approach is with microenterprise programs. This approach is not for everyone, but promoting the growth of microenterprises can be a useful element of a broader economic development strategy for a number of reasons:

- Microenterprises can raise family income by helping families patch together income from a number of sources.
- Small business incubators and assistance in developing business plans can increase entrepreneurial and management capacity in the community.
- Loan funds and other financial support can increase the availability of capital for business start-ups.
- School-based enterprises and school-to-career programs in targeted industries can be a component of the longer-term strategy.

A sectoral approach to microenterprise development can aid in forming related microenterprises that are linked through a cooperative or networking structure. Such very small businesses also have the potential to serve as the core of an industrial cluster.

Technology should make all of this somewhat easier. Distance learning opportunities, including those provided through National Guard Armories, can help address the education and training needs of workers and employers. Access to the World Wide Web can connect businesses in rural communities to information and markets everywhere.

Making the most of opportunities currently available requires planning and coordination. It requires learning to do things differently than in the past. It requires imagination and "thinking outside the box."

After the keynote address, discussion focused on the following issues:

- The NGA is setting up three meetings to address the provisions of WIA and the needs of the harder-to-serve population. The challenges will be to get employers to buy into the new system and to address the needs of all with a universal system.
- A number of States are merging welfare and workforce systems into one.
- "Work first" is not "work only"-work must be combined with ongoing education and training.
- The NGA is starting to see a change from systems of support for those who are not working to those who are working.
- Career ladders are needed within clusters of small businesses (including microenterprises) so workers have the necessary experience when they move to better jobs in larger organizations.
- Much training is generic; to lead to increased productivity, retention and quality, it must be customized to meet the needs of both employers and individuals.

State Updates

Each State made a 15-minute presentation updating progress on its rural welfare to work strategies project since the December 1998 meeting. The following is a brief synopsis of each State's project update:

Iowa's project focuses on identifying rural transportation strategies and piloting them in rural Lee County. Data to determine the needs of rural residents will be collected via (1) focus groups with Family Investment Program (FIP) recipients and other key decision makers/stakeholders and (2) one-on-one interviews with transportation providers in another rural county.

Secondary data will be analyzed to examine commuter rates, location of employers versus

location of FIP recipients, and vehicle ownership status.

The project will examine strategies implemented under existing Community Self-Sufficiency Grants, which involve the community and businesses in developing long-term, systemic programs to serve low-income as well as TANF recipients. Strategies will be tailored to address specific transportation needs in Lee County.

The following are challenges that Iowa will face in implementing the project:

- Gaining the cooperation of local businesses
- Amount of time required to develop community relationships
- Getting community leaders to prioritize the needs of low income residents
- Communication about services
- Ways to sustain the program.

Illinois is targeting 14 contiguous counties, seven of which are historically the poorest in the State. The two main objectives of the project are to:

- Gain a better understanding of where and how Illinois TANF recipients obtain employment.
- Identify obstacles and enablers to obtaining employment that are unique to the rural population.

Specific research questions the project is addressing include (1) where are individuals employed at the time their case is closed? and (2) how do clients get to work?

Throughout Phase I, the project will collect and analyze data from three major sources: focus groups, administrative data, and a labor market survey. To date, focus groups have been conducted in seven of the fourteen counties with the following individuals:

- TANF clients who are unemployed
- TANF clients who are underemployed
- Former TANF clients who are employed
- DHS caseworkers
- Human services providers

Preliminary findings suggest a number of implications for policy including: the need to increase the minimum wage, economic development to address poor job/worker ratio, lack of transportation, low reimbursement rates for child care, lack of medical coverage, and sense of hopelessness, especially among isolated minorities.

Louisiana's project focuses on Tensas Parish, which has an agricultural economy and 60 percent of its population below the poverty line. The project is guided by the following research questions:

- Are job search methods a match for the jobs that are or will be available?
- Why has Tensas Parish failed to attract employers?
- What infrastructure exists to link TANF recipients with jobs?

To date, data collected indicate a disconnect between employers and welfare to work efforts. Although 20 employers told the Parish that they would hire TANF recipients, only five employers have hired so far. Data also indicate that transportation is the most pressing need in the area (child care and job readiness are also critical). Child care will become more restrictive in Louisiana, especially in rural areas.

The project is planning a series of three town meetings with stakeholders (including TANF recipients) to address the issues of job development as well as those noted above. The first town meeting, with employers, is scheduled for July 15. The key to the project is to garner enough

support from the community and employers to make a positive difference.

Maryland aims to describe and determine the effectiveness of the public/private welfare to work partnership in rural Cecil County. The project has developed a conceptual framework that includes the following elements:

- Environmental factors (economic conditions, community)
- Service partnerships
- Customer characteristics
- "Goodness of fit" for success (welfare dependency, economic well-being, employment, child and family well-being)

Over the next several months, the project will conduct a survey of individuals who have left TANF (for at least 6 months) and those who have returned to the TANF rolls to identify the characteristics of each group and determine why they have achieved different outcomes. Once differences between the groups of TANF recipients are determined, the project will identify ways in which partnerships can be modified to improve the outcomes of those who have returned to the rolls.

Minnesota. The McKnight Foundation has played a key role in Minnesota's welfare reform effort. McKnight has funded partnerships in 22 areas (14 of which are rural) to help families transition from welfare to work. This project will examine the McKnight-funded partnerships, the faith-based community, Tribes, and other community collaboratives, to identify those strategies most associated with successful acquisition and retention of work by rural welfare families. To assist in examining the partnerships, the project has formed a steering committee with representatives from the McKnight Foundation, four rural counties, four partnerships, the Department of Transportation, Employment Services, tribes, child welfare, the Wilder Research Center, and child care.

The ongoing strategies that the steering committee will examine include child care, housing, domestic and substance abuse, working with employers, supporting job seekers, developing networks, and transportation.

Mississippi will analyze local Labor Market Areas (LMAs) based on the journey to work and will use Urban Influence Codes (UICs) to determine the extent to which areas are influenced by proximity to an urban area. Specifically, the project will:

- Test the hypothesis that the stronger the urban influence on an LMA, the better off welfare to work participants will be (access to more jobs with higher wages)
- Examine three areas with different LMA/UIC mixes to determine the nature of jobs in those areas, and map assets of welfare recipients to determine whether there is a match with available jobs
- Survey employers in the three areas to determine their views of TANF recipients and their performance, identify qualities employers consider important when hiring workers, and obtain information on wages and benefits of entry level jobs.

To date, the project has:

- Identified three LMAs for study by examining employment shifts, the composition of jobs being created, educational level of TANF recipients, licensed child care capacity, and estimating job matching.
- Developed an instrument for mapping assets of TANF recipients.
- Developed an employer survey.

County DHS representatives will administer the asset mapping tool to all current TANF recipients in their area. Between 25 and 50 TANF recipients will be interviewed. The employer survey will be

administered to 25 employers in the three LMAs.

Missouri is examining perceived barriers to employment in four counties in the southeastern region of the State (the "bootheel") where there is a high concentration of TANF recipients. To date, two focus groups have been conducted and covered the following topics:

- Overall opinion of welfare reform efforts
- Experiences recipients had looking for jobs
- Programs and resources available
- What employees look for in an employer
- What employers look for in an employee
- Reasons for returning to welfare

The project also plans to conduct focus groups with long-term welfare recipients. Data from focus groups will be analyzed and presented in a preliminary report. Discussion groups will be held with local service providers and employers to discuss recipients' perceptions about welfare reform and barriers to employment. Data from discussion groups along with the preliminary report findings will assist the project in identifying service or education gaps in current welfare to work programs.

New York is studying issues affecting the implementation of rural welfare to work strategies and identifying promising strategies that may be able to be replicated. The project is also using information from several quantitative and qualitative data collection. To date, the project has engaged in the following activities:

- Finalized methods for data collection and developed a draft instrument
- Updated existing inventory of promising practices in rural areas
- Completed statewide survey on the capacity of local DSS offices to utilize technology as a means of communication with clients
- Completed statewide survey of promising program strategies for facilitating job retention
- Completed survey of technical assistance needs and service delivery strategies of local DSS offices, education providers, and employment and training providers
- Released *Rural Employment Issues and Strategies: Preliminary Results of Recipient-Level Analysis in New York State*.

Vermont has experienced a 30 percent reduction in the TANF population since 1996, but the reduction has been much slower in rural areas. The two objectives of this project are to:

- Facilitate communication between and coordination of the agencies and organizations involved in welfare reform efforts, specifically those dealing with employment and training.
- Increase knowledge about transportation needs of TANF recipients and identify strategies to address those needs.

Since the last grantee meeting, Vermont has engaged in the following activities:

- The project hosted the State's first symposium on transportation. The symposium included key players in transportation from around the State who were asked what their organizations offer TANF recipients. A key finding was that public transportation is designed for the general public, not the TANF population (especially the rural TANF population). Only one region in the State (Burlington) truly has public transportation; the rest of Vermont has private non-profit providers who have traditionally had very little input from human service organizations or state government.
- Vermont recently received a reverse commute welfare to work access grant. Since the Vermont DSW provides matching funds under TANF, they were invited to engage in the decisionmaking process. One lesson learned from this experience is that most decisions are made by public transportation agencies.

- The project is considering creating a database of Vermont welfare reform projects to foster collaboration and information sharing by various organizations and agencies within the State.

Washington's project focuses on identifying strategies that address sustained, year-round employment, advancement in the job market, transportation and child care needs, and services to address special barriers to employment.

Specifically, the project aims to identify a variety of factors that affect employment, including:

- opportunities and limitations in local rural labor markets
- factors related to job retention
- effects of seasonal and informal employment
- training opportunities and access
- gaps in local transportation and child care resources
- access of tribal members to welfare to work services
- other factors affecting access to livable-wage jobs.

From August through September, focus groups will be conducted in six different counties or pairs of counties, representing different types of local rural economies. Separate focus groups will be conducted with TANF clients, employers, service providers, and tribes.

In addition, the project will analyze existing administrative data and data from a periodic state survey of clients exiting TANF.

Conceptual Framework

Ellen Marks, Macro International, presented the draft conceptual framework (which had been mailed to meeting participants) for the project in graphic form and explained its development. The purpose of the conceptual framework is to help design and evaluate rural welfare to work programs. The conceptual framework is a working document that will go through several drafts as it is refined, based on comments from grantees, ACF, and other experts. The sources for the conceptual framework are:

- *Rural Welfare to Work Strategies: Research Synthesis*
- Site visits
- Ongoing discussions with States

The draft conceptual framework identifies five factors that appear to be critical in rural welfare to work strategies: (1) dispersion, (2) jobs, (3) transportation, (4) child care, and (5) access to services.

The draft conceptual framework posits six environmental factors that are likely to affect program strategies and outcomes: economic conditions, the rural setting, State-level components of TANF, structural features of related programs, the community, and demographics of the rural population. Characteristics of the TANF applicants and recipients are important to consider in designing and evaluating rural welfare to work programs; these include history of cash assistance, employment history, education, family structure, and TANF-related services (for recipients only).

In addition, the framework contains the additional elements of personality issues (unique attitudes and behaviors that accompany some rural TANF recipients) and impediments.

Once environmental considerations and characteristics of the TANF population have been taken into account, the conceptual framework suggests that the needs of the TANF population should be determined. Information from research and fieldwork shows that services provided do not always match needs.

Three types of services that TANF applicants and recipients receive are: (1) a standard array of services to support the transition from welfare to work; (2) specialized services to meet the needs of the harder-to-serve TANF population; and (3) post-employment services. Many of these services have special considerations when designed and delivered in a rural context, most notably, adequacy of services. The conceptual framework suggests that the following three measures of service adequacy should be considered: accessibility, sufficiency, and appropriateness.

An additional factor in the design and evaluation of rural welfare to work programs is the effect of benefits from other programs such as medical insurance, housing subsidies, food stamps and utility payments.

The conceptual framework identifies four outcomes for determining the success of welfare to work programs: welfare dependency, economic well-being, employment, and child and family well-being. The draft document concludes with a discussion of key factors to consider in designing an evaluation of rural welfare to work strategies:

- definition of "rural"
- the counterfactual
- experimental and quasi-experimental designs
- sample size
- random assignment
- the intervention
- administrative records
- data collection techniques

Discussion on the conceptual framework centered on the following issues:

- Motivation and attitude (although not uniquely rural) are important to consider in welfare to work strategies.
- Rural individuals are less willing to move for jobs than non-rural individuals. Rural individuals often do not have the money (deposits for rent, utilities) that it takes to move to a more urban area.
- "Personality issues" may be better captured as "lifestyle choices" or "values."
- The entire framework could be looked at in an ecological context with four contextual levels (individual, family, community, State).
- Add "employment" to "Determination of Needs."
- Supply of services-"choice" is important, as is "quality."
- The needs of the employment community should be included in the framework. Some employers like the way things are. They do not want to see "capital development" in their communities. Contrast this brand of leadership with "visionary leadership."
- Choice of services/providers is important in rural areas because of the lack of anonymity.

Grantees were asked to send additional comments on the conceptual framework to Macro.

Break-out Sessions

Break-out sessions were held on transportation and engaging employers. Each session was facilitated by a content expert who presented an overview of the topic in the context of rural welfare reform. Following the overview, several program models for moving TANF recipients from welfare to work were presented

Transportation Break-out Session

Carolyn Jeskey of the Community Transportation Association of America (CTAA) facilitated the transportation break-out session. The CTAA is a national organization that focuses on increasing individual mobility through community transportation initiatives that pick up where private auto

and mass transit leave off. Community transportation has evolved as a network of community-based agencies and coordinated services that offers the elderly access to needed services, ensures mobility for people with disabilities, and connects the poor and unemployed with jobs and training facilities. Currently, CTAA is working on a number of transportation initiatives targeted at promoting and evaluating rural transportation strategies. More information on CTAA projects may be found on their website www.ctaa.org.

Ms. Jeskey's overview of transportation issues within the context of rural welfare reform focused on the range of services that CTAA could provide States. These services include:

The JOBLINKS Initiative. Funded by the Federal Transit Administration (FTA) and administered by CTAA, the JOBLINKS Initiative is a series of demonstration projects that represent a variety of transportation strategies to help unemployed and underemployed people reach self-sufficiency. Each project involves local partnerships with transportation and human services agencies, as well as other community players. Tested strategies include:

- Demand-responsive van services
- Fixed-route reverse commute options
- School buses
- Volunteer car pools
- Volunteer rural ride services
- Extended hours demand responsive transit
- Local circulator shuttles
- Demand-response taxi services where JOBS clients are trained as taxi drivers
- Door-to-door transportation services
- Weekend fixed-route transit
- Remote scheduling
- Micro business development in which welfare recipients start their own transit service

Recently, FTA has funded 16 JOBLINKS demonstration projects (10 in the 1995-96, six in 1996-97). The Initiative provides funding and technical assistance to these projects. Project overviews and CTAA's evaluation of these strategies may be found on their website at: www.ctaa.org/ntrc/atj/joblinks.

Employment Transportation Technical Assistance Tool Kit. In conjunction with the U.S. Department of Labor, CTAA has developed the Employment Transportation Technical Assistance Tool Kit. This Toolkit features information on current transit legislation, the relationship between jobs and transportation, best practices in employment transportation, and methods for linking people with the transportation they need. Additionally, this Toolkit lists 90 sources of Federal funding for possible State and community employment transportation initiatives. The Toolkit may be purchased from CTAA for \$50, or received at one of CTAA's "Transportation and Employment: The Vital Link" conferences being held nationwide.

National Transit Resource Center. The National Transit Resource Center provides in-depth technical assistance on all aspects of welfare to work transportation efforts. The Center may be contacted via the toll-free Community Transportation Hotline (1-800-527-8279), which provides direct access to resource specialists and the vast information collection of the Resource Center. Areas of expertise include identifying funding sources, current and pending legislation, vanpools, wheels-to-work programs, and State welfare transportation plans.

USDA Technical Assistance Program. The U.S. Department of Agriculture provides technical assistance to States and communities to help with transit routing, scheduling, and coordinating transportation services. USDA selects up to six long-term projects per year and may also provide short-term targeted technical assistance to States and communities. CTAA may assist States and communities with linking to this assistance through the Resource Center and the Community Transportation Hotline.

Peer-to-Peer Training Program. CTAA's National Transit Resource Center includes a peer-to-

peer training program in which resource specialists connect callers with experts in the field. Peer trainers are certified by the Resource Center and have direct operational experience. They typically help through phone calls, though the peer trainers may travel to provide more direct help in certain circumstances.

Website Forum. CTAA's website forum is designed for individuals to post transportation questions that CTAA staff will directly respond to. The website also includes a complete listing of possible funding sources for rural transportation and transit initiatives.

Good News Garage

Claire Perrino, Vermont Department of Social Welfare, provided an overview of the Good News Garage (GNG) located in Burlington, Vermont. This nationally recognized automobile ownership program has successfully provided over 260 low-income Vermont families with a reliable automobile. Follow-up information on those who receive cars shows that 75 percent are employed. The program accepts donated cars, assesses their maintenance needs, repairs and reconditions the cars at its garage, and sells the reconditioned automobile for the cost of repairs. If an automobile is too expensive to recondition, it is stripped for its parts and the parts are sold or used by the GNG. The average purchase price for a reconditioned car is \$650. Individuals may qualify for the program if they have a valid driver's license and are below 150 percent of the Federal poverty guidelines. To further support car recipients, the GNG may assist customers in obtaining automotive insurance and establishing title.

The GNG also provides subsidized auto repairs where fees are determined by a sliding scale based on income and, recently, the GNG has also become a licensed vehicle inspection facility. The program serves all of Vermont and currently has a waiting list of over 200 individuals. While individuals are generally selected from this list on a first-come, first-served basis, GNG managers also use a "triage" approach when dealing with applicants. Individuals who are in immediate danger of losing their job or who have serious medical issues may be moved up the waiting list. The GNG also serves as a training program for TANF recipients and is currently expanding this training program to Vermont's rural Northeast Kingdom. Additional information about the GNG may be obtained by contacting the director, Hal Colston, (802) 864-6017.

Auto Loan Projects

Joe Capobianco, State of New York Department of Labor, discussed the Car Loan Project in three rural New York Counties-Chautauqua, Steuben, and Wyoming. The project targets current TANF recipients seeking employment and provides low-interest loans to purchase a vehicle or repair a donated vehicle. In some cases, individuals may not take possession of the car until they have secured a job. The program is a grassroots organization that is composed of multiple partnerships including government, local private financial institutions, and non-profit organizations. Each program has about 10-12 participants. Increasing the project's size to serve more individuals has been identified as one of the project's biggest obstacles. Additional information about the Car Loan Project may be obtained from Rita White at (716) 237-2600.

Families First

Betsy Shepp of Jackson State Community College in Jackson, Tennessee, presented information on the Partnership's rural transportation initiatives. The Partnership services 14 counties and is comprised of the Tennessee Department of Human Services, Tennessee Department of Labor, Tennessee Department of Transportation, JTPA Service Delivery Area 12, and Human Resource Agencies (HRAs). The Partnership acts as a broker that gives TANF recipients options for transportation with an emphasis on safety. Specifically, they are given several options:

- Private transportation in which they receive a mileage reimbursement
- Financial assistance for automotive repair work
- Referral to a Contract Service Provider

Contract Service Providers include local HRAs that provide transportation services, mostly taxis,

with set trip and mileage rates. Jobs Access Reverse Commute Grants for Tennessee have been approved but funds have not yet been released. The monies will be utilized to expand service hours and provide shuttle services to industrial parks. Additional information about the Partnership's activities may be obtained from Betsy Shepp at (901) 664-0920.

Following the presentations, discussion focused on transportation and the feasibility of developing transportation systems in remote areas. Participants commented on the high cost of operating a transportation system in a rural area. Questions were raised about whether a brokerage system was truly a long-term solution. Participants felt that multiple backup systems are necessary, although possibly unrealistic in rural areas. One participant also suggested that Individual Development Accounts (IDAs) should be expanded to include savings for private vehicle ownership.

Engaging Employers Break-out Session

The break-out session on engaging employers was facilitated by Harry Holzer, professor of economics at Michigan State University, currently on special assignment as chief economist, Office of the Secretary, U.S. Department of Labor. Mr. Holzer noted that the following questions could be used to frame the discussion surrounding engaging employers in rural welfare to work efforts:

- Are there employers/jobs in sufficient number to handle demand in depressed markets?
- Do potential employees have the skills (job readiness, cognitive skills, "soft" skills, specific job-related skills) to meet employers' needs?
- Is discrimination by employers or coworkers an issue?
- What sort of job networks can be set up? What sort of job placement strategies are being and can be implemented? Is a job placement program necessary?
- What supplementary strategies (including retention and post-employment services) are needed?
- What are successful interventions? What is the role of government? What is the role of Private Industry Councils (PICs)?
- Is a mobility strategy (commuting or relocating) a feasible alternative approach?

Bemidji Partnership Model

Ila Schneibel, Minnesota Department of Human Services, presented the Bemidji Partnership Model. The Bemidji Model is a regional partnership that brought together 9 local/regional employers, a rural Minnesota CEP, three local county social service agencies, one school district, one State university, one technical college, one Workforce/Job Service Center, and the Red Lake Reservation to develop strategies for moving TANF recipients from welfare to work. These representatives developed a partnership with equal participation by employers and other agencies. They conducted a number of research activities to prepare for developing program strategies, including a profile of job market/employer needs, a profile of public assistance recipients and their needs, analysis of case studies of other employer-focused strategies across the country, and a welfare to work flow chart.

Several aspects are included in the Bemidji Model:

- Life skill/work readiness training that leads to job placement
- Focus on early screening to identify potentially successful participants
- Transportation broker to develop and implement individual solutions
- Increase available non-standard child care
- Regular communication/feedback between all parties
- Treat employers as customers

Strengths of the model include the fact that employers are hiring, strong partnerships are meeting their objectives, and employers and participants have choices. Challenges encountered include recruiting trainees, progressing from part-time to full-time jobs (and subsequent self-sufficiency),

continuing work force shortages, and confronting and addressing "unknowns."

Results from the implementation of the Bemidji Model by the Headwaters Regional Development Corporation are positive: 196 program participants were recruited, 152 participants received some type of training, and 118 participants were placed in a job.

The cost of the services is approximately \$1,500 per participant. The future focus of the program is to broaden participation by including those at risk of long term dependency, develop career ladders, and develop tools to address transportation and child care issues. Additional information about the Bemidji Model can be obtained from David Hengel, Headwaters Regional Development Corporation, (218) 751-3108.

Starfish Award

Paul Ramcharit, Minnesota Department of Human Services, presented the Starfish Award program. The Starfish Award was started in January 1998 by the Southwest Minnesota McKnight Partnership to increase participation within the partnership and its welfare to work strategies. The partnership awards a starfish pin to a person, agency, group, or employer who has made a significant contribution to partnership activities. The award has been given out for various activities, such as donating time and talent to help those in transition from welfare to work and helping keep people employed. Awards are bestowed by either the McKnight Project Coordinator for the area or by a partner within the project. There are no strict criteria for receiving the award, just "common sense and good judgment." Local media are notified each time the Starfish Award is given out and often articles and photos are published on the local paper's community page.

The McKnight Partnership believes that the Starfish Award is having a positive effect on engaging employers in welfare to work efforts. Employers who have received the award proudly display the certificate that accompanies the starfish pin and have consequently become more involved in other aspects of the partnership, including networking with other providers of resources such as transportation and child care to better meet the needs of their employees. To date, 80 Starfish Awards have been distributed at a cost of \$3-4 per award. Starfish pins can be ordered via www.condor.com. More information on the Starfish Award can be obtained from Cheri Steinman, Southwest Minnesota Private Industry Council, (507) 879-3194.

Results from Welfare to Work Efforts in Tensas Parish

Maude Pollard, Tensas Parish Office of Family Support, presented results from efforts to move TANF recipients into work in Tensas Parish, Louisiana. The overriding issue in Tensas Parish is to find jobs for those who have not yet obtained jobs. The welfare caseload has been reduced from 205 to 92 households; those who are left are the "hard-to-serve." The first strategy implemented encouraged commuting to jobs in nearby Mississippi communities. An alternative strategy, to address the needs of individuals with mobility problems, is to increase the infrastructure to enhance economic development within the Parish. Overall, there is a lack of employment opportunities within the Parish-most available jobs are seasonal agricultural jobs.

The primary challenge of increasing employment opportunities is to get employers to assist in developing the infrastructure without alienating them. To some extent, employers have an interest in keeping low wage jobs, and, rather than working with DSS to develop jobs for seasonal workers, employers often contact DSS to obtain benefits for their employees in the off season. To begin the process of creating jobs and fostering economic development, Tensas Parish DSS plans to hold a series of town meetings to bring together employers and key stakeholders in the community. Through interviews conducted with employers, the project recognizes the need to skillfully and tactfully bring the community together to change mindsets and support welfare to work goals. More information on welfare to work efforts in Tensas Parish can be obtained from Maude Pollard at (318) 766-3251.

Discussion on engaging employers in welfare to work strategies centered around the following issues:

- Recognizing what motivates employers is key to the success of a strategy. Employers only do what is in their interest.
- Discrimination is pervasive in many areas (particularly the rural south). Sometimes relocating employers bypass counties and parishes with a high percentage of minorities.
- The lack of economic development in rural areas is due to many reasons, including an agricultural history and employers wanting to keep new businesses out of the community to keep wages low.
- Getting the right stakeholders "at the table" is key to engaging the community in economic development efforts.
- Relocation of employers can be a viable option and could be positive or negative for a community.
- Skills development is important to economic development because employers will want to keep skilled workers within the community. Soft skills (character traits) are probably expensive to change.
- Work experience programs sometimes reinforce for employers why they didn't want to hire TANF recipients in the first place. Programs are effective for the first half of cases, but a better strategy for the harder-to-serve may be to have them get work experience in the human services office first.
- Employer subsidies are often not effective in rural areas because the small number of jobs make it difficult for an employer to realize a benefit.
- Employers should be asked what their needs are and communities should ensure ease of participation in programs for employers (decrease paperwork/bureaucracy).
- Attitude is often noted by employers as the most important attribute of an employee. Employers hire for attitude and train for skills.
- Asset mapping can be used to match potential employees with jobs for which they have an aptitude/capacity.
- Packaging or integrating services (job coaching, transportation) to meet the needs of TANF recipients on the job often creates a win-win situation for employers and recipients.
- Alternatives for hard-to-serve TANF recipients for whom sustained private sector employment is not an option include sheltered workshops and vocational/rehabilitation programs. This population often will not participate in mandatory work activities.
- Employers are concerned about retaining individuals they hire. One model is to set up a program to train supervisors to mentor employees to help increase retention and reduce absenteeism.

JUNE 29, 1999

Break-out Sessions

Break-out sessions were held on child care and barriers to economic self-sufficiency. Each session was facilitated by a content expert who presented an overview of the topic in the context of rural welfare reform. Following the overview, several program models for moving TANF recipients from welfare to work were presented.

Child Care Break-out Session

Christine Ross, Mathematica Policy Research, facilitated the break-out session on child care. She began the session with an overview of child care issues and described how child care can both support and undermine efforts for employment. The overview covered the following:

- **Costs and subsidies.** The high cost of child care, especially in relation to low paying employment, can pose a work disincentive. State policy can have an impact on available child care funds and subsidies. Child care subsidies have three key features: income eligibility limits, sliding fees, which often start out low and increase quickly often when other programs phase out, and payment rates. Not much is known about participation rates in subsidy programs, but in general, rates tend to be low.
- **Quality.** Parents and professionals tend to agree on the definition of quality child care for

children under 9 years of age, but do not always agree on the definition of quality child care for children older than 9. Although parents and professionals tend to look for the same factors in terms of quality, the two groups tend to rate quality differently. Two studies suggest that quality child care may encourage work. Parents who are concerned about child care may stop working. A threshold exists where parents quit if child care is poor quality.

- **Job flexibility.** Individuals must balance child care and employment, which is particularly difficult for single mothers. A useful framework for examining the relationship between child care and employment combines the elements of child care, support, employment and flexibility. This framework suggests that the "package" (composed of hours of employment, child care, and a support network) matters. There needs to be flexibility in hours, child care, or available support. With a high degree of inflexibility, the "package" will not be successful. Employers need to be educated more on issues relating to flexibility.

When examining child care programs, it is important to look for collaboration between agencies and organizations, opportunities for cross fertilization, and commitment to good educational experiences for children.

Chautauqua County Child Care Council

April Bender, New York Welfare to Work Technical Assistance Team, presented the efforts of the Chautauqua Child Care Council. The county identified a need for improving child care in the community. An alliance of businesses, legislators, and other interested parties was created to focus on improving availability and quality. After a lengthy survey, the alliance proposed 16 recommendations. They asked for a waiver from the State to charge more for child care and offset costs through grant funds from foundations. The alliance established a high criterion for child care centers to meet baseline standards. More information on the Chautauqua Child Care Council can be obtained from Roberta Keller at (716) 661-9430.

Carr Creek Family Resource Center

Glenna Pridemore presented on the child care programs run by the Carr Creek Family Resource Center in Litt Carr, Kentucky. The Carr Creek Family Resource Center is a year round, school based, comprehensive facility located in rural Kentucky. It has many components, including day care for infants 6 weeks and up, a summer program, foster grandparent program, and volunteer program. It is educationally based, with set curricula. It is funded by many different agencies including the State, Save the Children, and the United Way. The Family Resource Center has provided work experience to numerous TANF recipients and has assisted them in getting jobs within the Resource Center or the schools. School buses are used to transport both children and their parents to and from the Center. For more information on the Carr Creek Family Resource Center, contact Debbie Joseph, Center Manager, at (606) 642-3831.

Little Angels Child Care Center

Fran Lingen, Minnesota Department of Human Services, presented the Little Angels Child Care Center. Its mission is to provide affordable, high quality child care services to the employees of the Guardian Angels Nursing Home in a rural Minnesota community. The Center is located in the center of the nursing home where residents can watch the children and regularly interact with them. The Center is licensed for 16 children and plans to expand to serve 31 children within the next year. Children's ages range from infant through kindergarten. The Center serves employees' children first, but is also open to the larger community (employees pay a reduced fee for services). The center operates from 5:30 a.m. to 6:30 p.m. Monday through Friday.

The Center is funded through the following sources:

- \$45,000 in initial grant money and donations
- State of Minnesota
- Private foundations

- United Way
- Child care fees
- Child care food subsidy
- In-kind assistance from the Guardian Angels Care Center (dietary, housekeeping and maintenance services)

Program benefits include employee retention and service to the residents, employees, and the community. Challenges of implementing the project included:

- Licensing regulations (although this proved easy because the nursing home already followed similar regulations)
- Identifying specific needs for child care
- Renovating space within the nursing home
- Securing financial assistance
- Staffing the center with qualified personnel

More information on the Little Angels Child Care Center can be obtained from Mark Pederson at (612) 441-4438.

Discussion focused on supporting center-based child care in some rural areas, and participants noted how difficult it is to provide services for children with special needs. Some participants raised the possibility of training TANF recipients to be child care providers.

Barriers to Economic Self-Sufficiency Break-out Session

This session highlighted strategies that have been used to address barriers to self-sufficiency faced by both rural and urban welfare recipients.

LaDonna Pavetti, Mathematica Policy Research, facilitated the session on barriers to economic self-sufficiency. Ms. Pavetti began the session by describing barriers identified during a recent study in Oregon. Specifically:

- **Literacy and learning disabilities.** Research has shown that almost two-thirds of welfare recipients' skill levels on standardized tests rank in the bottom quartile, with one-third in the bottom decile. While there are many dimensions to literacy issues, undiagnosed or poorly treated learning disabilities are believed to affect one-fourth to one-third of all welfare recipients.
- **Substance abuse.** Although there are no definitive estimates on the percentage of welfare recipients who are substance abusers, many believe that the number ranges between 15 and 20 percent. Assessment and placement into treatment present obstacles for addressing this barrier.
- **Mental health.** Approximately one-fourth of the welfare population faces some form of mental health impairment.
- **Domestic violence.** This barrier is believed to affect a large percentage of the female welfare population. Assessment and treatment continue to be obstacles to addressing this barrier.

Welfare recipients face numerous challenges to addressing these and other barriers faced, including:

- Values and expectations for serving the welfare population.
- Need to have a common understanding about counting persons with barriers within the welfare system.
- Variations in client service goals by different service agencies and sectors.
- Definition of roles, responsibilities, and training needs for case managers. Case managers are expected to do "everything."

- Work place environment and the ability to innovate or attempt creative solutions and share failures.
- Create a durable infrastructure that can weather economic changes.

Following Ms. Pavetti's introduction, information on programs targeted at mitigating substance abuse, learning disabilities, and domestic violence issues faced by low-income individuals was presented.

Substance Abuse Research Demonstration Project

Mercedes Kennedy, Program Director for the Substance Abuse Research Demonstration Project (SARD), provided an overview of this substance abuse treatment project. SARD is a Statewide initiative currently operating in 21 New Jersey counties. SARD is testing the outcome of intensive case management services and care coordination on substance abuse treatment among welfare recipients. Currently, it is estimated that 34 percent of New Jersey's caseload are substance abusers, and approximately 21 percent require some form of treatment. Program obstacles have included moving individuals from the referral stage into assessment and subsequent treatment, child care and transportation while engaging in treatment activities, insufficient numbers of treatment slots, assessment and referral by case managers, and co-location of SARD workers in local welfare offices. More information can be obtained from Mercedes Kennedy at (609) 689-0599.

Learning Disabilities Initiative

Elaine Miller, Kansas Social and Rehabilitation Services (SRS), provided an overview of a program in rural Kansas designed to identify and treat welfare recipients' learning disabilities. Approximately 30 percent of TANF recipients in Kansas have a learning disability. Currently, the program covers a seven-county area where most towns have a population of less than 5,000. The program features voluntary testing and assessment for learning disabilities among TANF recipients. A written assessment tool developed by the University of Kansas has been established for this process. This tool takes approximately 26 minutes to complete and has been cross-validated and found to be 85 percent accurate. Beginning in April 1999, SRS began using this screener with all recipients. SRS also is working with community colleges and community-based organizations to develop curricula for addressing these newly assessed learning disabilities. More information can be obtained from Phyllis Lewin, Project Administrator, at (785) 296-3713.

Domestic Violence Options/Opciones Program

Rebekah Levin of the Taylor Institute provided an overview of the Domestic Violence Options/Opciones Program currently in Lawndale (located near Chicago, Illinois). The Lawndale community has a caseload of approximately 4,000 welfare recipients. Options was designed to address the needs of welfare recipients living in domestic violence (DV) situations and to test:

- Whether welfare offices can serve as an effective referral system for domestic abuse intervention and counseling;
- Whether case management by DV advocates is an effective tool for linking community services with DV clients; and
- Whether pre-employment training can be designed to work with DV survivors effectively regardless of the level of DV with which they are currently living.

Options was implemented in July 1997. All welfare clients were to be screened by their caseworker for DV at intake and recertification. Those clients identified as DV victims were then to be given the opportunity to participate in the Options program. An on-site advocate would do an initial intake with the women. Continuing case management services would take place at off-site locations that provide counseling, group workshops on transitioning from welfare to work, and other services.

The program has encountered a number of obstacles, specifically (1) low referral rates by welfare

case workers due to the additional paperwork, complexity surrounding assessment, and a general uneasiness about speaking with clients about DV issues; (2) low levels of buy-in by key personnel in welfare offices; and (3) conflicts between DV on-site advocates and welfare case workers due to poor communication between the two.

Lessons learned by the Options program include:

- Good communication between welfare staff and program staff at all levels is essential.
- Need buy-in from caseworkers and also need to appreciate their training, background, and existing workloads.
- It is difficult to get individuals to move from a referral phase to a participation or treatment phase.
- Substance abuse and DV are often linked and, as a result, it is important to address both issues simultaneously.
- Need to deal with the victim's hierarchy of needs, not a hierarchy imposed by someone else. Begin where the client is.

For more information on the Options/Opciones program, contact Rebekah Levin at (773) 533-2180.

Affinity Groups

States were organized into affinity groups based on the characteristics of their projects. Each affinity group was given a scenario (see Attachment 1) and asked to design services to meet the needs and improve the outcomes of the TANF population defined and the rural situation described. Groups were asked to address eight items; the following summarizes each group's plan for the design, implementation, and testing of strategies:

Affinity Group: Maryland and New York

Question	Response/Strategy
What are the most critical needs?	<p>Time limits coming rapidly</p> <p>Work requirements not being met</p> <p>Lack of jobs</p> <p>Transportation</p>
Describe your strategies to help TANF recipients achieve economic self-sufficiency.	<p>Use community college for training, meeting work requirements for job placement and development</p> <p>Use TANF funds to help with transportation (car purchase)</p>
What is your strategy intended to accomplish?	<p>Meet work requirements and help recipients become</p> <p>self-sufficient</p>

What is the most realistic strategy to implement?	Form partnerships to enhance resources
What local, county, or State offices/organizations would be involved in implementing this program?	CC, DOL, Rehab., Housing, Board of Education, PIC, employers, DSS
How will you finance the program?	TANF funds and other available resources
What is the time frame for implementing this strategy?	ASAP
How will you evaluate the effectiveness of the program?	TANF caseload reduction Job placement and retention numbers Post placement wage increase Safe and Stable family survey

Affinity Group: Iowa, Minnesota and Mississippi

Question	Response/Strategy
What are the most critical needs?	Economic development and stabilizing economy Teen pregnancies Targeting (in the short term) 200 reaching time limit Determine if additional child care is needed Transportation issues
Describe your strategies to help TANF recipients achieve economic self-sufficiency.	Develop means to assess needs and assets/skills of each of the 200 cases Develop task force to address economic situation (include public and private entities, community college, faith community, DNR) Develop group to address teen pregnancy issue (faith community, education, health and social services departments)

<p>What is your strategy intended to accomplish?</p>	<p>Assist recipients in achieving better outcomes and self-sufficiency</p> <p>Increase and diversify employment base, increase infrastructure that supports working families, assure communities work together</p> <p>Reduce teen pregnancy and develop preventive action in community</p>
<p>What is the most realistic strategy to implement?</p>	<p>To assess the needs and assets of the families and address teen pregnancy (short term)</p> <p>Task force (long term)</p>
<p>What local, county, or State offices/organizations would be involved in implementing this program?</p>	<p>DHS, other community agencies active with families (Public Health), private and nonprofit organizations, community college, faith community, public agencies (DNR, DOT, DHS, DOL, economic development, employment services)</p>
<p>How will you finance the program?</p>	<p>TANF funding and other funds from agencies involved</p> <p>Grants, contributions</p>
<p>What is the time frame for implementing this strategy?</p>	<p>90 days, address barriers within a year</p> <p>Ongoing</p>
<p>How will you evaluate the effectiveness of the program?</p>	<p>Assess family and child well-being</p> <p>Compare economic situation before and after, obtain feedback from community through surveys and focus groups, increased employment, caseload, reduction, reduction in poverty</p>

Affinity Group: Illinois, Vermont and Washington

Question	Response/Strategy
What are the most critical needs?	Job creation Economic development Transportation/roads Jobs for families approaching time limits
Describe your strategies to help TANF recipients achieve economic self-sufficiency.	Create jobs using closed factories for microenterprise development Create Head Start program Develop public works project to address flooding of roads Encourage auto plant to offer incentives for early retirement (use TANF funds to provide training, job subsidies, tax credits) and on-site child care Use community college to assist with microenterprises, incubator development, cottage industry development
What is your strategy intended to accomplish?	Employ TANF families Prevent roads from flooding Provide trained work force Expand child care capacity
What is the most realistic strategy to implement?	Work with existing employers Microenterprises (longer term)
What local, county, or State offices/organizations would be involved in implementing this program?	Employment services, welfare office, DOT, community college, school district, CAP, DCCA

How will you finance the program?	DCAA, Welfare to Work, WIA, Job Access Grant (USDOT-FTA), private foundations (child care), Head Start, TANF
What is the time frame for implementing this strategy?	Up to one year (for auto plant strategies)
How will you evaluate the effectiveness of the program?	Pretest and posttest. Number of TANF recipients employed full time in unsubsidized employment Decline in caseloads Number of children enrolled in child care Percent of people below poverty level

Affinity Group: Missouri and Louisiana

Question	Response/Strategy
What are the most critical needs?	Finding employment for families approaching time limit
Describe your strategies to help TANF recipients achieve economic self-sufficiency.	Work with employers to identify current and future needs for workers. Have case managers conduct assessment of TANF recipients to identify barriers to employment
What is your strategy intended to accomplish?	Provide employers with trained labor pool. Match TANF recipients with employers. Identify training needs of TANF population. Link with community colleges to provide training to service providers
What is the most realistic strategy to implement?	All are realistic-linked together
What local, county, or State offices/organizations would be involved in implementing this program?	Employers, front-line workers, TANF recipients, local politicians, TANF agencies, DOL (WIA, JTPA, WTW, ES), community college, chamber of commerce, unions, drug

treatment/rehab agencies, law enforcement

How will you finance the program?

TANF funding for training and support services, WTW, CTAA grants

What is the time frame for implementing this strategy?

Immediate meeting of stakeholders, agree on strategies and procedures within 2 weeks. Map out project to set time frame for training Have case managers explain strategies to recipients early

in process

How will you evaluate the effectiveness of the program?

Number of TANF recipients employed within 12 months. Sustainability

Employer satisfaction

Next Steps

Howard Rolston, Director, Office of Planning, Research and Evaluation, ACF, presented a session on the project's next steps. He noted that the motivation for this initiative is the lack of evaluation of programs in rural areas. Most good welfare-related evaluations have been conducted in medium-sized cities; unique rural issues make ACF think that not all lessons learned from these evaluations apply to rural areas. The goal of this project is to determine, through solid evaluation, whether programs are effective.

Based on what has been presented at this meeting, States' projects are in different stages of progress. The project as a whole may need an extended time line; ACF is willing to consider a longer first phase. States should consider whether an extension of Phase I would benefit their projects. ACF's goals for the end of Phase I are to (1) have programs that are worth testing and (2) have the means to test the effectiveness of programs

States should focus the rest of Phase I efforts on these two goals by engaging in activities such as starting partnerships and securing funding. ACF wants to help States reach this "testing point" by offering technical assistance through Macro and other ACF resources. States should tell Macro and ACF what they need to progress toward the goals stated above.

It will be challenging to evaluate programs designed under this project and in cases where experimental design is not possible, nonexperimental design will be considered. States should not exclude the possibility of experimental design, but should work with Macro and ACF to develop evaluation plans. To further assist in evaluation design, ACF has enlisted the services of Michael Wiseman, who will work along with Macro and ACF to assist States in moving toward Phase II of the project.

Mr. Rolston addressed the following questions that States had posed:

1. Has funding for Phase II of the project been determined?

ACF will most likely hire an evaluator to conduct a national evaluation during Phase II. Funding for States in Phase II would be to help offset the costs of participation (data collection activities, monitoring, training) in the evaluation, not for program services. States should use TANF funds to

provide services.

Discussion regarding this response focused on the understanding of some States that the purpose of Phase I was to identify innovative programs and disseminate this information. This could be done through case studies, not necessarily rigorous, experimental evaluation. They thought that ACF would fund the replication of programs based on these case studies. Participants noted that the amount of the Phase I grant does not allow for rigorous design. Further discussion surrounded the funding of replicable strategies and the identification of funding sources.

Mr. Rolston noted that the money from Congress that funds this project is primarily to be used for evaluation-to find out what is working. ACF would be glad to provide guidance on the use of TANF funds, although nearly everything that has been mentioned at this meeting could be funded with TANF dollars. For Phase II, ACF would prefer to at least have a program that has been piloted (if not already up and running). Even if phase one is extended, there will not be any additional money for States.

2. Will ACF provide a template for the final (Phase I) report so it is easier to compare States' findings?

Providing a template had not been planned; the Phase I report had been thought of as an application for Phase II of the project. ACF will, however, require a final progress report. A template could be developed if States would like one. Mr. Rolston encouraged States to post suggestions such as this to the listserv to help foster communication between the States, Macro, and ACF. State contacts were encouraged to communicate with their State delegations.

Grantees suggested that the next meeting have fewer structured presentations and more time for brainstorming.

Capstone Address

John Else, Institute for Social and Economic Development, presented the capstone address. He noted that this initiative to study welfare to work programs in rural areas is on the cutting edge of welfare reform research. Grantees have a tremendous opportunity to test strategies and to shape public policy at local, state and national levels. The discussion at this meeting has been exciting and innovative. States have been thinking in new ways and making new linkages that wouldn't have been considered a few months or years ago, including:

- Talking about structural changes
- Engaging with Chambers of Commerce, business leaders, employers, and unions in joint problem-solving-recognizing *their* needs and addressing *their* interests as they are recruited to create opportunities for TANF recipients
- Recommending early retirement programs and tax incentives
- Engaging state and regional Department of Transportation staff
- Brokering transportation arrangements, giving awards to employers, encouraging organizations who sell and repair cars for TANF recipients, searching for ways to break the gridlock of employers who don't want new jobs in the community
- Identifying, assessing, and addressing major personal barriers and testing new strategies for screening and treating those barriers

This is a change in focus-from an exclusive focus on individual clients to a focus that includes changing community structures so that people have opportunities. Now the target population includes community institutions.

This change in focus suggests the need for a different sort of model. It requires a model that centers not only on interventions and outcomes related to individuals, but a model that includes environmental factors-not just as the context in which intervention with individuals occurs but as the target of intervention. It requires a model that describes community-level interventions and measures community level outcomes-and it requires a different kind of evaluation.

There are a number of interests discussed at this meeting that wouldn't have been expressed 5 years ago. Some of these interests are in gathering information and perceptions, including:

- Interviewing people who left welfare and those who have returned-to understand the factors that led to success or the barriers that inhibited success.
- Gathering the perceptions of clients, employers, service providers.
- Other interests are in policies and services, including (1) promoting higher wages and (2) concern about job retention and job advancement and commitment to continuing to support and encourage people who have left TANF while they make the longer journey to self-sufficiency.

The following five issues are integral to the discussion of welfare reform in a rural context:

- Economic development
- Transportation
- Child care
- Personal barriers
- Relocation

Economic Development is a new arena for most human services staff. Historically, it has not been our business; it has not been our mandate. But it is clear now that if there aren't jobs, TANF recipients cannot become self-sufficient-so out of necessity, economic development has become our business. For folks who have been working in human services for some time, there are interesting parallels to the early days of the anti-poverty program. There was a recognition then that economic development was critical to economic opportunities for low-income folks in urban neighborhoods and rural communities.

Early community action agencies were oriented to community mobilization, not service provision, and they were seen as radical "fringe groups." Today these concerns are being championed by mainstream government agencies. We could learn today from the experiences of CDCs (Community Development Corporations) and OICs (Opportunity Industrialization Centers). They had and continue to have an impact-but they fell into some traps that could be avoided. Today requires new strategies. If we're going to be effective in this new arena, we need to find ways to educate ourselves, to learn from best practices of the past, and to encourage and exchange best practices as they emerge today.

Taking on economic development will be a tremendous challenge. Organizations are overwhelmed with what is on their plates now. It seems impossible that they can take on and become experts in another big issue. But that's the challenge-to become part of networks we haven't historically been part of and to develop enough expertise to push folks in directions they might not otherwise think of or go.

Wisconsin, though not part of this group, is worthy of study. We have all heard or read of the Wisconsin Works, or W2 program. One of the interesting things is that W2 has been significantly more successful in rural Wisconsin than in Milwaukee. It seems clear that Governor Thompson's welfare achievements have hidden his economic development achievements. There are many good-wage jobs in rural Wisconsin. We need to understand why that is true and how it has been accomplished.

Transportation is clearly a problem in rural communities-and especially for TANF recipients. A broad range of strategies is being explored, but it basically comes down to automobile ownership and various forms of public or private transport by others.

Automobile ownership has tremendous advantages and it seems to be a service that non-profit organizations and faith communities can do fairly effectively. The problems that have been identified are:

- Individual issues, such as valid driver licenses, insurance, outstanding fines, DWIs.
- Organizational issues over the longer term, such as the cost of loan guarantees and potential problems with repayment (and the administrative structure) if numbers get large and special grants end.

Brokering public or private transportation is a very costly option that may not be sustainable-unless the economic and social value of public transportation is more widely accepted in our society-another structural issue.

Though **child care** is generally seen as a major issue, it is interesting that several States found that it is not a significant issue for the TANF recipients with whom they are talking. It seems that it does not need to be an issue if the payment rates and payment terms by the State are adequate to make child care economically feasible.

ISED has recently completed a paper on the feasibility of home-based child care businesses that serve TANF families. The study found that the basic rates paid by TANF agencies are often so low that day care centers and day care homes won't accept children who receive child care subsidies. The study also learned that payment terms are not comparable with private pay clients who pay in advance (whereas DHS payments are delayed by 4-8 weeks) and who pay for days the child is absent either because of sickness or vacation (which DHS usually won't do).

Identifying, assessing, and addressing **personal barriers** is complex. The challenges are:

- to design systems that integrate DHS staff and outside professional expertise
- to encourage clients to be involved in whatever education or treatment is needed
- to monitor and evaluate and share the knowledge that is gained
- to create an infrastructure that will last

There are essentially three options to enabling TANF recipients to achieve self-sufficiency: (1) create jobs, (2) commute to jobs, or (3) relocate. Though the topic of **relocation** has arisen in this meeting, it is interesting that no one seems to be testing relocation as an intervention strategy. It is clear that there is resistance, but that is true for other barriers and interventions as well. It is also true that there are strong feelings against relocation-that people value the rural lifestyle. It is true valuable things will be lost-in fact things that may warrant not promoting this as an option. Most important, is a support system-family and friends that not only provide emotional support but in many cases make the difference in whether one is self-sufficient or not. For example, if family provides free child care, a person may be able to make it financially. Or, if family even provides back-up child care when a child is sick, a mother may be able to retain a job that she might lose if she has to take off work to care for a sick child.

Most of us are no longer in a rural community. Whether for good or ill, we are an increasingly urban society. Survival may depend on relocating and on building new support systems. One could argue that we have a responsibility to recognize this reality and at least consider relocation as one specific option to encourage and test.

Mr. Else is currently consulting with an agency in Fresno, California that is working on employment issues in the large Hmong community there, in an environment of 14% unemployment. He also is consulting with three Cambodian agencies in Long Beach, where companies in a neighboring city have offered to open branch facilities in Long Beach to access the potential employee base. Does it make sense for Hmong (including college graduates) to stay unemployed in Fresno while jobs go begging in Long Beach? Several years ago, the national refugee program had what it called a "secondary migration program," which paid the moving and resettlement costs for families who wanted to go where the jobs were. It was a very successful program, but was stopped, primarily for political reasons. Are we avoiding this option for philosophical or political reasons, even though it might enable many families to become self-sufficient? What are the options for shaping a relocation intervention that would address and mitigate many of the philosophical, social, economic, and political issues? Isn't that worthy of exploration?

There are two other issues to discuss based on observations made during this meeting. One is how we define rural and how much we generalize about rural welfare to work strategies. Several people have noted the importance of distinguishing different levels of "ruralness"-e.g., based on factors such as proximity to larger communities, especially when talking about employment opportunities. We also need to distinguish between regions of the country and among states. For example, Mississippi statistics show that less than 50% of rural TANF recipients have a high school education. That percentage is substantially higher in Iowa and Minnesota-which will affect interventions and outcomes.

We also need to be careful about what we assume to be true. For example, there is much discussion of the importance of self-esteem, locus of control, and other intermediate outcomes. ISED shared that belief. However, ISED has just completed an 8 year follow-up study of welfare dependent families involved in an intensive, human capital development intervention. The study had an experimental design, with a treatment and control group. Correlation was found between two intermediate outcomes and self-sufficiency outcomes-educational gain and "ability to meet concrete needs." Correlations were not found on the other intermediate outcomes. This was startling-but causes us to be much more cautious about assuming that intermediate outcomes are in fact proxies for (or indicators of) self-sufficiency outcomes.

In conclusion, Mr. Else noted the following challenges for States:

- If knowledge is scarce, we are called to be the learners and the producers of knowledge.
- If strategies don't yet exist, we are called to be the pioneers of this decade.
- If human resources are being wasted, we are called to transform communities so that people can fulfill their potential.

In addressing these challenges, States can:

- Use creativity.
- Use the creativity of others who are concerned about these issues-in your workplace, in local communities, in the networks within States and across the country.
- Believe in the creativity and desire of the TANF recipients with whom you work, and tap into their ideas and their skills.

Mr. Else urged States to make this their mantra:

- There are effective strategies for overcoming every barrier.
- The job is to find the answers-to change the context and the structures and the interventions so that people have the opportunity to surmount the barriers.
- Performing poorly in poor communities is not an option.