Making Sure of Where We Started:

State Employment and Training Systems for Welfare Recipients on the Eve of Federal Reform

Stephen H. Bell
with Toby Douglas

Occasional Paper Number 37

Assessing the New Federalism
An Urban Institute Program to Assess Changing Social Policies
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The Urban Institute
2100 M Street, N.W.
Washington, DC 20037
Phone: 202.833.7200
Fax: 202.429.0687
E-Mail: paffairs@ui.urban.org
http://www.urban.org
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About the Series

Assessing the New Federalism is a multiyear Urban Institute project designed to analyze the devolution of responsibility for social programs from the federal government to the states, focusing primarily on health care, income security, employment and training programs, and social services. Researchers monitor program changes and fiscal developments. In collaboration with Child Trends, the project studies changes in family well-being. The project aims to provide timely, nonpartisan information to inform public debate and to help state and local decisionmakers carry out their new responsibilities more effectively.

Key components of the project include a household survey, studies of policies in 13 states, and a database with information on all states and the District of Columbia, available at the Urban Institute's Web site. This paper is one in a series of occasional papers analyzing information from these and other sources.
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Making Sure of Where We Started:

State Employment and Training Systems for Welfare Recipients on the Eve of Federal Reform

Work has replaced welfare as the nation’s preferred strategy for getting disadvantaged families the resources needed to meet the basic material needs of their at-risk children. For this strategy to succeed, parents (and other caretakers) in these families must be able to find jobs with adequate pay and then perform well enough to retain those jobs. This is a tall order for many recipients of Temporary Assistance for Needy Families (TANF), the nation’s principal “safety net” program for low-income families since it replaced Aid to Families with Dependent Children (AFDC) in 1997. Many TANF recipients face serious, often multiple, obstacles to employment, such as limited work experience and poor health or education.1

Education, training, and employment services can break through these barriers by increasing work skills and access to good jobs. For the past 30 years, states have worked to deliver these services to welfare recipients in an effective way, creating extensive employment and training service systems for low-income parents on cash assistance. Those systems—and their evolution—have become more important in recent years, as new federal and state policies advocate work over welfare as the best source of economic security for most families. Together with other policy changes in the late 1990s (discussed below), the federal push for welfare reform has led or required states to reassess—and potentially overhaul—their employment and training systems for TANF recipients. This paper provides a picture of the existing welfare-to-work systems in 13 selected states and the nation in 1996 as these changes were about to get under way.
1. Policy Background and Research Goals

Two strategies have dominated welfare-to-work reform over the past decade: make work mandatory and “make work pay.” To make work possible for more mandatory participants—and to make work pay for everyone—U.S. policymakers have generally favored the solution the free market demands: make better workers. This has been the primary goal of state education and training programs for welfare recipients for many years. Over that time, states have also pursued job placement and work experience as faster—and perhaps better—ways to turn inexperienced workers into valued employees.

Consistent with these themes, Congress passed three acts between 1996 and 1998 changing how states operate their welfare and workforce development programs to better support employment. These changes could strongly influence the types of employment and training services welfare recipients receive in the new century.

First, in 1996, the nation’s largest cash assistance program for low-income families, AFDC, and its work support component, the Job Opportunities and Basic Skills program (JOBS), were converted into welfare reform block grants under the control of state governments. Prior to that point (since 1988), JOBS had provided education, training, job placement, and work experience to AFDC recipients required or volunteering to take part in the program. The switch to block grants took place through the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), which created TANF as the state-directed successor to AFDC and gave states enhanced freedoms to determine the employment and training services offered to TANF recipients, if any.

Second, additional federal legislation provided funds for states and localities to expand welfare-to-work services to the hardest-to-employ recipients, beginning in 1998. The Balanced Budget Act of 1997 allocated $3 billion over two years for this purpose through the Welfare-to-Work Grants Program, an initiative to support state and local efforts to serve the least employable TANF recipients as well as absent parents and recipients nearing their lifetime limit on benefit eligibility.

Finally, the most recent piece of federal legislation, the Workforce Investment Act of 1998, requires states to move more quickly in integrating employment and training services into “one-stop” career centers serving multiple populations, including welfare recipients, dislocated workers, and other individuals in need of help finding or succeeding in jobs. As a result of these changes, it is widely anticipated that the systems states use to provide employment and training services for welfare recipients will change in important ways during the late 1990s and beyond.
Goals of the Paper

The consequences of these national reforms are now unfolding at the state and local levels, where employment and training services have always been designed and delivered. Where these reforms will lead is hard to anticipate, and the independent effects of each act may never be known. Still, one vital question can be answered with confidence at this point: Where did state employment and training systems for welfare recipients initially start as this era of federally initiated reforms began? This paper addresses this question by looking at the baseline year for federal reform—1996. An accurate profile of the welfare-to-work system as it existed in 1996—the one fixed point in a kaleidoscope of change—will be indispensable to understanding how states respond to their new freedoms (and obligations), how employment and training systems evolve in the process, and how welfare policy is strengthened or weakened as a result.

There has always been great variation in how employment and training services are delivered to welfare recipients, both within and among states and—in recent years—over time. In the first half of the 1990s, many states began their own welfare-to-work reforms by obtaining waivers from federal requirements for JOBS and related programs. Though focused in other policy areas (e.g., on AFDC earnings disregards and time limits), these earlier reforms undoubtedly affected the evolution of employment and training service systems for welfare recipients under the JOBS model. But the reforms were implemented at different times in different states—often for just a subset of counties—and emphasized different employment goals and strategies in different places. As a result, 1996 was not a static, baseline year so much as a “snapshot” of an evolving picture about to be redirected by national legislation.

To capture this cross-state variation at a common point in time, welfare-to-work services in 13 selected states for the period leading up to PRWORA’s enactment in August 1996 are examined here. The states studied—Alabama, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New York, Texas, Washington, and Wisconsin—were home to more than half the families receiving low-income cash assistance in 1996. They cover all regions of the country and a range of large and small states with varying social policy histories. Taken individually, and in relation to one another, these states are a centerpiece of the Urban Institute’s Assessing the New Federalism project, a study to assess the devolution of social policy to state and local government at the end of the century. The same 13 states will be revisited in 2000 to examine changes in employment and training services for welfare recipients that have taken place since 1996, including changes in policy focus, service delivery mechanisms, and fiscal commitments.

Because many dimensions of states’ welfare employment and training systems are changing simultaneously, a broad yet detailed portrait is needed to fully understand the pre-PRWORA “picture.” Information presented here includes

- The extent and sources of employment and training services for welfare recipients in 1996 (section 2);
• The employment goals and philosophies pursued by each state at that time (section 3);
• The mix of services received by welfare recipients from the largest service source, the JOBS program (section 4);
• Integration of JOBS and related employment and training systems at the state and local levels (section 5);
• The financial resources devoted to welfare employment and training services in each state (section 6); and
• Summary and questions for further investigation (section 7).

Preview of Findings

A look at each state’s major employment and training service sources and their utilization by AFDC recipients reveals that 20 percent of AFDC adults participated in employment-oriented activities provided by JOBS or Job Training Partnership Act (JTPA) programs during the 12-month period just prior to TANF. Under the new legislation, the scale of service delivery could change dramatically from this reference point. For example, states that perceive a greater need to equip recipients for work because of TANF’s individual work requirements and five-year time limit on benefits have room—if they choose (and have the resources)—to expand their employment assistance systems by orders of magnitude. Conversely, a state could decide to discontinue all work assistance services for TANF recipients under the block grant system. Simple reductions in the number of adults receiving welfare could shrink the welfare-to-work service system in some states.

Whatever scale is chosen for TANF work services, PRWORA gives states added incentives to focus on rapid work attachment rather than longer-term human capital development in education and training programs. Some states may see rapid linkage to the labor market as the only way for some—or possibly all—TANF recipients to meet TANF’s ambitious work activity requirements or to ensure that recipients work long enough to become self-supporting before benefit time limits expire. Sections 3 and 4 demonstrate that in 1996 some states focused their welfare-to-work efforts on quick job attachment by adopting a “Work First” philosophy as part of their pre-PRWORA waiver reforms. Section 3 considers where each state stood in this regard as perceived by state policymakers and other state-level informants. Section 4 provides a more detailed assessment of employment and training emphasis at the local level using administrative records for JOBS participants. This second assessment describes the JOBS service mix in each of the 13 focal states—information of interest not just to TANF planners in those states but to all states considering service adjustments as PRWORA and the Welfare-to-Work Grants Program move forward.

Overlapping these changes are the consolidation requirements of the Workforce Investment Act (WIA). The success of WIA’s “one-stop” employment centers will hinge, for welfare recipients, on the degree to which employment services for economically disadvantaged families can be integrated into more “mainstream” service delivery systems for experienced, higher-skill workers. In turn, the potential for “mainstreaming” welfare-to-work services will depend in part on a state’s history of
combining, or overlapping, these two historically distinct systems. Section 5 discusses the fact that historical experience with program integration is fairly limited in most of the 13 states as measured by the degree of formal coordination between alternative service delivery systems at the state level in 1996. Though still modest, somewhat more coordination and integration appears to have taken place at the local level based on the degree to which local JTPA programs and employment service offices served welfare recipients.

A final, critical set of questions facing states concerns the unprecedented opportunity for spending a great deal of or very little money on employment services for welfare families. Both PRWORA and the Welfare-to-Work Grants Program expand total federal dollars available to states for employment and training services compared with projected JOBS allocations—and soften or eliminate state matching requirements. Declining caseloads could further expand the funds available to assist the typical remaining recipient. Countering these inducements to spend more per recipient is the option states have to invest most or all of their TANF block grant funds in other forms of assistance—cash payments, subsidized child care, emergency shelter, vouchers (for transportation or baby products), and so on—without spending any funds at all on work preparation and training. Moreover, the new funds dedicated to employment and training services—the new Welfare-to-Work grants—do not always provide an eagerly awaited opportunity to spend more, as witness the fact that some states have turned down their federal allotments.

As a result of these factors, spending patterns on employment and training activities—just like the service mix—could change considerably as the result of the recent reforms. Section 6 looks at spending patterns in the prereform year of 1996 as a baseline for later changes, finding a range of funding levels among the 13 focal states. Interestingly, rank in spending prior to federal reform depends on the point of reference used, i.e., whether expenditures are considered in relation to the size of a state’s AFDC caseload, the number of recipients getting employment and training services, the size of the overall state budget, or the state’s fiscal capacity (as measured by per capita income). Costs also varied depending on whether a state emphasized rapid work placement activities or investment in human capital through education and training; the former service emphasis was usually, though not always, less expensive.

2. The Extent and Sources of Employment and Training Services for Welfare Recipients prior to National Reform

By the mid-1990s, many states had extended or modified their work services for welfare recipients by obtaining waivers of standard federal rules governing the AFDC and JOBS programs. These waivers allowed states to increase AFDC work incentives, expand mandatory work or training requirements, strengthen sanctions for noncompliance, and experiment with new employment and training service models and support services. Many waiver reforms had been implemented by 1996, with
MAKING SURE OF WHERE WE STARTED

Statewide waivers becoming increasingly common (U.S. Department of Health and Human Services 1997), thereby creating a much larger potential to change overall state employment and training service systems than had earlier demonstration projects confined to a few pilot counties.

The AFDC Population prior to Reform

Like many waiver projects, the PRWORA reforms heavily emphasized work for those receiving, or who applied to receive, cash support from AFDC and its successor program, TANF. PRWORA rules also gave states more freedom—and responsibility—than ever before in designing, implementing, and delivering employment services for welfare recipients. To know what is at stake in this evolution of employment and training services, one first must understand the AFDC population as it existed prior to PRWORA changes. Roughly 5.2 million adults received AFDC benefits during federal fiscal year 1996, the period just prior to the implementation of PRWORA. Nearly 3 million of these adults lived in the 13 focal states (table 1); the great majority (79 percent) lived in the four largest states in the country—California, Florida, New York, and Texas—or in Michigan. Each of these five states served more than 200,000 individuals. At the other extreme, five focal states provided AFDC benefits to fewer than 100,000 adults in 1996: Alabama, Colorado, Minnesota, Mississippi, and Wisconsin.

An important share of AFDC recipients received employment assistance in 1996 through the two national programs that specifically targeted employment and training services for low-income or disadvantaged adults: AFDC’s JOBS program, and programs for all disadvantaged workers funded under the Job Training Partnership Act (JTPA). As can be seen in table 1, these two programs served 878,000 AFDC recipients nationwide in 1996, or 17 percent of all adults on welfare. A somewhat larger share of AFDC adults (around 20 percent) participated in these two programs in the average focal site. JOBS served by far the largest share, though JTPA merits attention as well, in part to highlight its relatively minor role in the overall welfare-to-work effort. In addition to these two targeted programs, some AFDC recipients also obtained work and training assistance from more broadly directed sources like the Employment Service and the local community college system—options less central to the welfare reform debate.

The JOBS Program

Local welfare offices administered the JOBS program and, in some instances, provided employment and training services directly to AFDC recipients. More commonly (and in keeping with legislative intent), JOBS sent recipients to other employment and training service providers in the community, including JTPA. These alternative programs either enrolled JOBS referrals directly (and served them with their own funds) or worked under contract to JOBS as a service vendor for those individuals. The services provided or arranged through JOBS typically included education and skill training and services focused more directly on employment, such as job search assistance. However, state and local factors exerted...
**Table 1** AFDC Adults Participating in JOBS and JTPA by State, 1996

<table>
<thead>
<tr>
<th>State</th>
<th>AFDC Adult Recipients</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>In JOBS or JTPA</td>
<td>In JOBS</td>
<td>In JTPA</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alabama</td>
<td>33,712</td>
<td>7,308</td>
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<td>2.0</td>
</tr>
<tr>
<td>California</td>
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<td>120,335</td>
<td>10.6</td>
<td>1.0</td>
</tr>
<tr>
<td>Colorado</td>
<td>40,109</td>
<td>7,582</td>
<td>17.7</td>
<td>3.6</td>
</tr>
<tr>
<td>Florida</td>
<td>215,493</td>
<td>46,553</td>
<td>20.3</td>
<td>2.1</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>109,227</td>
<td>24,568</td>
<td>21.8</td>
<td>2.1</td>
</tr>
<tr>
<td>Michigan</td>
<td>225,194</td>
<td>47,749</td>
<td>20.5</td>
<td>1.2</td>
</tr>
<tr>
<td>Minnesota</td>
<td>71,549</td>
<td>8,328</td>
<td>11.0</td>
<td>2.4</td>
</tr>
<tr>
<td>Mississippi</td>
<td>42,978</td>
<td>7,051</td>
<td>14.7</td>
<td>2.1</td>
</tr>
<tr>
<td>New Jersey</td>
<td>121,015</td>
<td>22,718</td>
<td>18.4</td>
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</tr>
<tr>
<td>New York</td>
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<td>70,408</td>
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<tr>
<td>Texas</td>
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<td>1.8</td>
</tr>
<tr>
<td>Washington</td>
<td>126,015</td>
<td>42,588</td>
<td>32.6</td>
<td>1.4</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>61,568</td>
<td>24,119</td>
<td>36.8</td>
<td>3.3</td>
</tr>
<tr>
<td>13 Focal States</td>
<td>2,914,313</td>
<td>466,081</td>
<td>19.1</td>
<td>2.0</td>
</tr>
<tr>
<td>Entire U.S.</td>
<td>5,167,995</td>
<td>877,994</td>
<td>16.0</td>
<td>1.5</td>
</tr>
</tbody>
</table>

a. Federal fiscal year 1996 (October 1995 to September 1996) for AFDC and JOBS; JTPA program year 1995 (July 1995 to June 1996) for JTPA. JTPA data include only those participants who participated in Title IIA (for disadvantaged adults) or Title IIC (for out-of-school youths) of the program. More than half of the latter group were age 18 or older in 1996 and considered adults by AFDC.


c. Based on (a) the number of JOBS participants in an average month multiplied by 1.3 to reflect turnover of JOBS participants over a year and (b) the number of JTPA Title IIA and Title IIC participants on AFDC who terminated their JTPA enrollment at some point during the year (excluding those who participated in JTPA’s “objective assessment” component only). Eliminates double-counting of individuals who fall into both groups: JTPA Title IIA or IIC participants on AFDC who participated in JOBS and terminated their JTPA enrollment at some point during the year (excluding those who participated in JTPA’s “objective assessment” component only). Sources: U.S. Department of Health and Human Services, Memo No. TANF-ACF-IM-98-4, February 18, 1998; Giannarelli 1992; U.S. Department of Labor (PY 95) Standardized Program Information Report Public Use File.

d. Based on the number of JOBS participants in an average month multiplied by 1.3 to reflect turnover of JOBS participants over a year. Sources: U.S. Department of Health and Human Services, Memo No. TANF-ACF-IM-98-4, February 18, 1998; Giannarelli 1992.

e. Based on the number of JTPA Title IIA and Title IIC participants on AFDC who terminated their JTPA enrollment at some point during year (excluding those who participated in JTPA’s “objective assessment” component only). Source: U.S. Department of Labor (PY 95) Standardized Program Information Report Public Use File.

f. See note c for sources. Does not equal sum of the two preceding columns due to dual enrollments in JOBS and JTPA.

g. Percentages are averages of the previous 13 rows. States are weighted equally to describe the typical focal state, not the typical AFDC adult recipient in the focal states as a group.
considerable influence over the service mix and the service delivery process in a decentralized administrative structure.

Another defining feature of JOBS was its mandatory participation requirement for a subset of AFDC adults. This requirement existed at both the individual and program levels, based on family characteristics and overall federal participation targets. In an average month in 1996, states were required to have 20 percent of nonexempt AFDC adults in families headed by a single parent engaged in JOBS activities. For two-parent families, 60 percent participation was required among nonexempts. Recipients with young children, disabilities, or full-time jobs were exempt from the requirement and not included (in either numerator or denominator) in the calculation of state compliance. State waiver demonstrations created additional exemptions in selected counties, although on net the waivers probably reduced the total number of exempt cases by requiring work or JOBS involvement by more parents of young children. Ultimately, approximately one-half of all AFDC adults in the country were exempt from participation requirements in 1996 and excluded from the compliance calculations. As a result, states frequently met their participation targets by enrolling only a small share of their overall caseloads in JOBS.

Within the guidelines just described, local factors largely determined the shape of JOBS “on the ground.” Collectively, these factors determined the overall JOBS participation rates of each state and the nation, shown in table 1. Nationwide, just 16 percent of all adults receiving AFDC participated in JOBS in fiscal 1996. In the average focal state, 19 percent of adults participated during 1996. Fully eight years after the enactment of JOBS, just one in six adult AFDC recipients in the country engaged in JOBS activities, including one in five in the typical focal state. Thus, “working toward work” through the JOBS program was far from the norm in 1996 when Congress decided to discontinue the program.

For the 13 Assessing the New Federalism focal states, estimated JOBS participation rates ranged from 11 percent in California to 37 percent in Wisconsin. Rates were 22 percent or lower in all but two states, Wisconsin and Washington, which each engaged a third or more of their adult AFDC recipients in JOBS activities in 1996. The other focal states clustered in the 15 to 22 percent range, though the three largest states in the nation—California, New York, and Texas—along with Minnesota, fell below the national average (11 to 13 percent).

The JTPA Program

As noted earlier, AFDC adults also received employment and training services from non-JOBS sources. Nationally, about 1.5 percent enrolled in JTPA—the other source of federal funding for targeted employment and training services—during the year preceding national welfare reform (JTPA program year 1995, July 1995–June 1996; see table 1). The share was somewhat higher in the average focal state—2 percent. These small numbers are not surprising, given that the pertinent portions of JTPA (Titles II and IIC) served barely half as many individuals as did JOBS and primarily assisted nonwelfare recipients. (Only 3 out of 10 JTPA participants were on welfare in 1996.) Also, the JTPA system emphasized job placement, on-the-job training, and employer needs, largely omitting the education and basic skills
training also sought by JOBS administrators. As a result, for individual states as well as for the nation, the share of the AFDC caseload served by JTPA in 1996 was very small—around 1 to 2 percent in most focal states.

Not all JTPA enrollments represented net additions to the set of AFDC recipients served by JOBS; about 1 percent of the adults on AFDC in the focal states participated in both JOBS and JTPA in 1996, as did .5 of a percent in the nation as a whole. This overlap reflected the intent of the JOBS legislation to serve as many welfare recipients as possible using existing community resources.

Conversely, JTPA served some AFDC recipients not enrolled in JOBS—presumably people who applied to JTPA on their own without going through JOBS referral. As a group, these cases accounted for up to two-thirds of the AFDC recipients enrolled in JTPA in 1996, or 1 percent of all AFDC adults nationally and in the focal states. This added group—not evident in the JOBS data alone—accounts for the modest rise in employment program participation when JTPA is added to JOBS in the last column of Table 1.

Two overall messages emerge from this examination of the welfare-focused component of JTPA. First, JTPA provided only a small part of the nation’s employment and training services for welfare recipients in 1996. In terms of the number served, it paled in comparison to JOBS. Even in a state like Colorado, where the share of AFDC adults enrolled in JTPA substantially exceeded the national average, JTPA added just 2 percentage points to the overall JOBS/JTPA participation rate. Second, even adding JTPA to JOBS, the involvement of welfare participants in employment and training services from these two sources was sharply limited on the eve of PRWORA.

**Other Components of the Employment and Training Network**

As recognized earlier, consideration of state and national totals tells only part of the story, albeit a very important part. Throughout their existence, JOBS and JTPA programs have varied considerably at the local level, both in how they served AFDC recipients and in their interactions with one another. A larger context also applies in any state or community: AFDC recipients were just one of many populations served by the larger workforce development system in 1996, and JOBS and JTPA were but two components of an intertwined network of service delivery. The latter point is especially important to recognize when focusing on JOBS and JTPA as part of the overall picture: other parts of the employment and training network assisted welfare families as well—and, in some instances, took a prominent role at the local level. These components included:

- The Employment Service (ES), a general labor market exchange system where anyone can request employment services and information about job openings, training courses, and local labor market conditions. Until recently, ES services and service delivery mechanisms were not geared toward welfare recipients (the new “one-stop” career centers seek to change that), although one-half million or more AFDC recipients a year registered with the Service in the mid-1990s. Most recipients likely received low-level services, such as inclusion in an available-worker databank and/or help preparing a resume. In some localities, however,
ES was the prime source of job search assistance and other work-focused activities for JOBS and/or JTPA. As a potential resource in the “workforce attachment” approach to welfare reform, it is important that we reexamine ES’s connection to AFDC on the eve of national welfare reform (see section 5).

- The local community college system, along with its financial lynchpins, Pell grants and federal student loans, supports welfare-to-work efforts by providing adult education and training to low-income individuals, including welfare recipients. In some communities, JOBS and/or JTPA program operators looked to this system as a principal source of adult education and vocational training for AFDC recipients.19

- The Food Stamp Employment and Training (FSET) program provides employment and training services to federal food stamps recipients. In 1996, almost all AFDC recipients received food stamps and, hence, were eligible to turn to FSET for work-related assistance. However, the program exists primarily to encourage work among food stamp recipients without children and has been found to provide mostly low-cost services of, at best, marginal effectiveness (Puma and Burstein 1994).

While they cannot be examined to the degree applied to JOBS and JTPA, these sources provide a backdrop to other findings throughout the paper.

3. Program Emphasis and Philosophy: The State Perspective

A critical aspect of employment services provided to AFDC recipients is the degree to which they emphasize either human capital development or rapid labor force involvement. This trade-off has remained central to the design of employment and training services for welfare recipients for several decades. Some observers see education and vocational training as the best routes to long-term family self-sufficiency, equipping breadwinners with the skills needed to earn adequate wages in the labor market. Others believe that work assistance should concentrate on finding immediate employment for welfare recipients, operating on the view that jobs—even low-paying, “dead-end” jobs—provide the best means for building skills and acquiring work habits that can later translate into attractive jobs with wages and benefits sufficient to support families.20

Human Capital Investment versus Rapid Workforce Attachment

Recently, the training-focused “human capital investment” approach has vied for primacy with the “rapid workforce attachment” approach emphasizing jobs—unsubsidized, subsidized, or even unpaid community service jobs—as the stepping stone to labor market success and advancement. States’ JOBS programs reflected this tension in the years prior to PRWORA. The original JOBS legislation in 1988 allowed states to offer remedial education (e.g., adult basic education, GED preparation), higher education (two- and four-year college degrees), and classroom training to
AFDC recipients thought least prepared for work. Even so, job search and job search assistance constituted the most common JOBS activities over the life of the program. Job search was common at the front end of the program to place those already “job ready” in jobs and identify individuals needing additional marketable skills. “Back-end” job search assistance helped place those completing their additional training in appropriate work. To assist the transition into work, JOBS also authorized states to provide subsidized employment and community work experience (workfare) to those individuals not yet “job ready” but who did not need classroom training or education. However, these latter strategies were little used in many states and, in some localities, not available at all.

Though JOBS brought some resurgence of interest in education and training, by the early 1990s states grew more interested in job placement and work experience strategies. Services such as job readiness training, job search assistance, and world-of-work orientation became a focus for these states’ welfare-to-work efforts, and many state capitals embraced the philosophy of work as not just the ultimate goal, but as the right, rapid first step. Even for less job-ready candidates, the workplace—not the classroom—was touted by political leaders as the best environment for learning skills and good work habits, though shifts in the true service mix were slower to come (section 4). To add to its appeal, rapid movement into the workplace offered the prospect of reducing welfare rolls more quickly than longer-term education and training services—while lowering education and employment assistance costs.

At first, selected states moved toward this vision through the flexibility granted by the AFDC program and the JOBS legislation and, where necessary, by obtaining from the federal government waivers of certain program rules.21 In August 1996, the passage of national welfare reform through PRWORA eliminated the need for special federal approval of state innovations. PRWORA gives states greater latitude to determine the extent and emphasis of their employment and training services for welfare recipients and provides strong incentives to emphasize rapid employment. Specifically, the law requires that TANF recipients work within 24 months of program entry (states may stipulate a shorter time interval at their option) and that a large share of TANF recipients engage in work activities in any given year. A 60-month cap on TANF benefits over a lifetime also adds to pressures to move recipients into jobs as quickly as possible in order to avoid using up too much time on the five-year “clock.”

The most aggressive of these work-based strategies came to be known as “Work First,” a program strategy that seeks first to capitalize on the opportunities that already exist in the labor market for welfare recipients. This rapid workforce attachment approach is also “Work First” in the sense that it sends a strong message to participants that public assistance is no longer about a welfare check, but about work.22 In some programs, the emphasis on work is made clearest to families newly applying for public assistance, where “front-end diversion” programs require adults to look for work for some initial period before receiving cash support. Those who succeed in their job search are expected to, as much as possible, work for a living without ever requiring public assistance.
Four Categories of State Emphasis

At the outset of PRWORA, the workforce attachment philosophy stood at various points in various states in terms of rhetoric, program rules, and actual practice. For example, rapid workforce attachment was not even the presumptive goal of reform efforts in some states (e.g., Minnesota) and, in terms of program rules, received only secondary emphasis in others (e.g., New Jersey). Elsewhere it featured importantly in the overall structure of the AFDC program (e.g., California) or—in the extreme—dominated almost all aspects of welfare reform, not just employment and training services (e.g., Michigan). To get a sense of where each of the 13 focal states stood on this issue as implementation of national welfare reform began under PRWORA, we visited all 13 states between late 1996 and mid-1997 and interviewed individuals in state government and elsewhere knowledgeable about AFDC employment and training services and welfare reform in general. Information provided by state-level informants allows us to judge the perceived emphasis on rapid workforce attachment in state capitals circa 1996 as a reference point in interpreting the actual degree to which a state’s employment and training services had tilted in that direction pre-PRWORA (see section 4).

Key actors in the states presented very different pictures of how much the workforce attachment philosophy had taken hold in their states by mid-1996. At one extreme, sources in Wisconsin consistently emphasized their state’s strong commitment of several years’ standing to labor market attachment. In contrast, Colorado and Minnesota continued to emphasize skill development and short-term training, though time limits on employment and training participation had recently been enacted. Other focal states’ philosophies were somewhere in between on a continuum that ran from heavy reliance on workforce attachment interventions to exclusive emphasis on human capital investments. Four positions that characterize the viewpoints of key actors in the 13 state capitals as of mid-1996 can be discerned in the 13 states:

• Comprehensive emphasis on rapid workforce attachment;
• Important commitment to rapid workforce attachment, but not complete adoption;
• Heavy reliance on human capital investment, along with limited initiatives in rapid workforce attachment; and
• Almost exclusive reliance on human capital investment.

The grouping of the 13 focal states into these four categories is summarized in table 2. In applying these labels, it is important to recognize that even the most engaged state employment and training systems for welfare recipients in 1996 (e.g., Wisconsin’s comprehensive workforce attachment model, Washington’s intensive human capital development approach) provided services to only about one-third of all AFDC adults in a state (see section 2).

Wisconsin had the most comprehensive emphasis on rapid workforce attachment, with key elements of the “Work First” approach already in place throughout the state in mid-1996. Among other provisions, Wisconsin gave early and extra emphasis to front-end diversion and quick-exit employment strategies for new wel
fare applicants and recipients. Key players in Massachusetts and Michigan also described welfare employment and training systems that fit the “comprehensive emphasis” model in mid-1996. Their JOBS programs were expected to provide primarily services leading to immediate employment.

One focal state had made important commitments to rapid workforce attachment at the state level prior to PRWORA, but not to the point of comprehensive emphasis. That state—California—carried by far the largest AFDC caseload in the nation at the time. As a relatively decentralized state administratively, California’s JOBS program, called GAIN (Greater Avenues for Independence), took a variety of forms in different counties prior to PRWORA. The state’s historical emphasis on longer-term education and training began to dissipate when research in the late 1980s showed that GAIN had achieved great success in one county (Riverside) by concentrating on up-front job search. Subsequently, other counties began to move in that direction, and in 1995 a statewide reform bill was passed, mandating immediate job search for GAIN clients in all counties. This did not become a comprehensive workforce attachment model all at once, however, since some GAIN participants continued previously initiated education and training activities and others moved toward more intensive human capital investment activities (e.g., remedial education, skill training) once the required interval of job search—set by the individual counties—had elapsed.

In six states in 1996, state-level informants indicated heavy reliance on human capital investment, along with limited initiatives in rapid workforce attachment. This group includes Alabama, New Jersey, New York, and Texas, where the workforce attachment approach had only recently been initiated (e.g., in January 1996) or had moved slowly prior to PRWORA (in part due to limited funding). Two other states in this group, Florida and Mississippi, had firmly established an employment-focused philosophy for JOBS in selected demonstration counties but, in the view of state respondents, had not yet moved that model forward for the state as a whole.
The final three focal states placed almost complete reliance on human capital investment activities to aid welfare-to-work efforts in mid-1996. Colorado and Minnesota (as noted previously) emphasized skill development and short-term training prior to PRWORA, even as time limits on employment and training participation were enacted. In addition, state-level informants in Washington described a state that placed little or no emphasis on early labor market engagement by JOBS participants while supporting long-term education and training as the alternative. Though the rapid labor force attachment philosophy had been espoused in Washington for some time, few AFDC clients were thought to have been placed on the employment fast track (mainly those deemed “job-ready” at intake) prior to national welfare reform.

**Summary and Prospectus**

For the 13 states studied, discussions with government and community leaders indicate that the rapid labor force attachment approach to providing employment and training services had captured the attention of state-level actors in all 13 instances prior to national welfare reform. What each state had tried to do with the “Work First” concept at that time reveals the variety of employment and training philosophies then in place around the nation. Some states had embraced a comprehensive emphasis on work as the first step toward self-sufficiency, states in all instances presided over by activist welfare reform governors (Massachusetts, Michigan, and Wisconsin). The state with the nation’s largest AFDC caseload, California, used the rapid workforce attachment approach in most counties but had not yet moved the bulk of its JOBS participants into a permanent “get-a-job” mode.

Six states were trying out early-work interventions seriously for the first time, through either major demonstrations in selected counties or nascent statewide initiatives. The focal states in this group were mostly southern states—Alabama, Florida, Mississippi, and Texas—but also included two northeastern states, New Jersey and New York. Finally, certain focal states had not moved appreciably toward the labor force attachment philosophy—Colorado, Minnesota, and Washington—and were still offering education and training as front-end options for welfare-to-work clients. States’ AFDC eligibility, work-mandate, and sanctions policies prior to PRWORA have been found to follow similar patterns of emphasis among the states.

Since 1996, many state employment and training systems have expanded their emphasis on rapid workforce attachment strategies (U.S. General Accounting Office 1999), in part because of the strong work incentives in PRWORA outlined at the beginning of this section. Still, as a measure of PRWORA’s starting point, the viewpoints presented here depict 13 states of considerable variety and richness, a collection well suited for testing a range of initial and longer-term policy responses to national welfare reform through changes in state employment and training systems.
4. Service Types and Mix: The Local Picture

Next is a look at how well actual employment and training service delivery at the local level accords with the state-level work philosophies just summarized. The best indicator of employment and training services actually received by AFDC recipients just prior to PRWORA comes from state-compiled reports of JOBS activities. Local JOBS staff record this information as each client moves into and through a particular sequence of JOBS activities. States that, by mid-1996, had moved to extensive application of “Work First” principles for employment and training services should show a mix of JOBS services with a greater share of immediately work-related activities and a smaller share of longer-term education and training activities compared with other, less work-oriented states. It is possible, however, that a rapid workforce attachment philosophy adopted at the state level had not yet taken root locally, in which case the JOBS data for 1996 might not exhibit the expected pattern.

JOBS Activities in 1996

It is useful to begin with the list of activities authorized under JOBS and measured at the local level. Table 3 provides this list, based on standard categories used by states in reporting to the U.S. Department of Health and Human Services. While not all of these categories are fully defined or applied consistently across states, a rough characterization of each activity type is possible based on the authors’ knowledge of state JOBS programs and terminology in the employment and training community generally. These characterizations appear in table 3—not as definitive definitions but as examples of the types of activities likely to take place within each measured category. Of course, not all of the individual JOBS activities listed in the table were available in all locations in 1996, nor were they relied upon equally when available.

As can be seen in the table, there are four broad types of JOBS activities that reflect the different stages and directions a welfare-to-work effort can travel. The first step develops an employability assessment and employment plan to guide the client and her or his JOBS counselor through the rest of the process. In any given month, some clients are engaged in this activity. As a final step, clients in the “job entry” category have found jobs in the standard labor market that do not involve JOBS subsidies or support. A large number of education, training, and work-oriented activities lie in between, separated into their respective categories. The percentage of JOBS participants who took part in each component activity in the 13 focal states and the nation as a whole during federal fiscal year 1996 is shown in table 4. Table 5 summarizes the same information under two major headings: human capital development activities and rapid workforce attachment activities. These tables tell us what JOBS programs were actually doing for their participants at the local level just prior to federal welfare reform, a story that may or may not align with each state’s JOBS philosophy as reported from the state capital (see section 3). In the average focal state, the two most common JOBS activities in 1996 were job entry (i.e., employment without ongoing JOBS assistance—for 14 percent of all
Table 3  Measured JOBS Activities in 1996

<table>
<thead>
<tr>
<th>Activity</th>
<th>Content/Example</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employability Assessment/ Employment Planning</strong></td>
<td>Review of work history and personal circumstances/planning steps toward self-sufficiency</td>
</tr>
<tr>
<td><strong>Education and Training</strong></td>
<td></td>
</tr>
<tr>
<td>High school education</td>
<td>High school attendance as a 9th-12th grade student</td>
</tr>
<tr>
<td>General equivalency diploma (GED)</td>
<td>Preparation for exam that certifies skills as equivalent to those of a high school graduate</td>
</tr>
<tr>
<td>Remedial education</td>
<td>Adult basic education not part of a degree- or certification-granting program</td>
</tr>
<tr>
<td>English as a second language</td>
<td>Classroom instruction in functional English-language skills</td>
</tr>
<tr>
<td>Higher education</td>
<td>Academic study at a college (including two-year) or university</td>
</tr>
<tr>
<td>Vocational training</td>
<td>Educational preparation for a career in a specific occupation</td>
</tr>
<tr>
<td>Job skills training</td>
<td>Training in specific job skills (e.g., record checking using computers) in a classroom or practicum setting</td>
</tr>
<tr>
<td><strong>Work-Oriented Activities</strong></td>
<td></td>
</tr>
<tr>
<td>Job readiness</td>
<td>Programs that develop good work habits (e.g., attitude, appropriate attire, punctuality)</td>
</tr>
<tr>
<td>Job development</td>
<td>Joint efforts by a participant, JOBS worker, and employer to identify or create a good “job match”</td>
</tr>
<tr>
<td>Job search</td>
<td>Application and interviews for paid job openings in the community</td>
</tr>
<tr>
<td>On-the-job training</td>
<td>Employment in an unsubsidized job that provides job skill training at the work site</td>
</tr>
<tr>
<td>Work supplementation</td>
<td>Employment at above-market wages for the individual, financed by diversion of AFDC grant to employer</td>
</tr>
<tr>
<td>Community work experience (CWEP)</td>
<td>Unpaid job of value to the community (e.g., litter removal) and arranged by JOBS/AFDC staff</td>
</tr>
<tr>
<td>Other unpaid work</td>
<td>Other volunteer work without pay</td>
</tr>
<tr>
<td>Other paid work</td>
<td>Other paid employment involving JOBS subsidy or support</td>
</tr>
<tr>
<td><strong>Job Entry</strong></td>
<td>Employment in an unsubsidized, paid job expected to lead to AFDC exit</td>
</tr>
</tbody>
</table>


b. Rough characterizations based on authors’ knowledge of (1) state JOBS programs and (2) conventional use of terminology in the employment and training community generally.
participants) and higher education (for 13 percent). The same was true of the nation as a whole. Thus, it appears that job entry and college activities compete for the largest shares of JOBS participants in a classic work-versus-human-capital-investment trade-off, although in the end only about 1 in 4 JOBS participants in the focal states (and, therefore, 1 in 20 AFDC adults overall) appear at either extreme. On average, another 11 percent of JOBS clients in the focal states engaged in job search in a typical month of 1996, while 9 percent worked on their employability assessment and employment plan. National figures are again similar. Thus, these two groups constitute an important secondary population—the one-fifth of JOBS participants in 1996 neither working nor in school but taking steps to get there. However, while important to JOBS, they represent only 1 in 25 AFDC adult recipients generally.

In addition to these groups, 7 to 8 percent of participants in the focal states pursued each of five other human capital investments: high school education, GED preparation, vocational training, job skills training, and job readiness training. Among the remaining, mostly work-oriented activities, none involved more than 4 percent of participants. Three activities were particularly uncommon (0.5 percent or less of all JOBS clients in the focal sites): job development, on-the-job training, and work supplementation. In relation to the entire AFDC caseload, these activities practically did not exist at all within JOBS, affecting at most 1 in 1,000 AFDC adults in the focal sites and 1 in 500 in the nation as a whole.

**States Focused on Work**

To facilitate comparisons among the 13 focal states, table 5 combines the 17 JOBS activities into two major groups (and four subgroups) that approximate the two employment service philosophies highlighted in section 3. In particular, this grouping provides a quick sense of the mix of human capital development activities (assessment/planning and education/training) and rapid workforce attachment activities (job entry and work-oriented activities) in the individual state JOBS programs. Based on this approximation, the JOBS programs in Michigan, Mississippi, and Wisconsin engaged more participants in workforce attachment than in human capital development activities in the typical month of 1996. Michigan and Wisconsin combined work-oriented services with a modest degree of job entry, while Mississippi relied almost exclusively on work-oriented services. Through these means, a clear majority of all JOBS clients in these three states engaged in rapid workforce attachment activities by mid-1996: 74 percent in Wisconsin, 64 percent in Michigan, and 59 percent in Mississippi—well above the 28 to 42 percent reported in the other focal states.

While not shown in the table, Wisconsin’s “Work First” JOBS participants represented 1 in 4 adults, a much larger share of the total AFDC caseload than in the other two states due to Wisconsin’s unusually high JOBS participation rate. Michigan’s share of the total caseload (1 in 7 AFDC adults) also substantially exceeded the national and focal state norms, as did Mississippi’s share (1 in 11 AFDC adults) by a small margin. This unremarkable rate of labor market–related activity for Mississippi AFDC recipients flows from the state’s below-average JOBS participation rate of 15 percent (see table 1). It may explain why state sources perceived the program as placing only a modest emphasis on rapid workforce attachment activities—notwith-
### Table 4
**Mix of JOBS Activities in an Average Month of 1996 (Percentage of JOBS Participants)**

<table>
<thead>
<tr>
<th>Activity</th>
<th>AL</th>
<th>CA</th>
<th>CO</th>
<th>FL</th>
<th>MA</th>
<th>MI</th>
<th>MN</th>
<th>MS</th>
<th>NJ</th>
<th>NY</th>
<th>TX</th>
<th>WA</th>
<th>WI</th>
<th>13 Focal States[^a]</th>
<th>Entire U.S</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employability Assessment/ Employment Planning</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school education</td>
<td>8.9</td>
<td>10.3</td>
<td>3.4</td>
<td>16.5</td>
<td>1.9</td>
<td>9.3</td>
<td>5.7</td>
<td>0.7</td>
<td>20.2</td>
<td>0.7</td>
<td>4.0</td>
<td>4.3</td>
<td>3.4</td>
<td>6.9</td>
<td>5.9</td>
</tr>
<tr>
<td>General equivalency diploma (GED)</td>
<td>12.6</td>
<td>8.5</td>
<td>12.0</td>
<td>9.5</td>
<td>10.6</td>
<td>0.2</td>
<td>7.9</td>
<td>1.0</td>
<td>8.7</td>
<td>2.6</td>
<td>12.4</td>
<td>10.9</td>
<td>2.7</td>
<td>7.7</td>
<td>6.7</td>
</tr>
<tr>
<td>Remedial education</td>
<td>7.0</td>
<td>3.5</td>
<td>4.0</td>
<td>2.6</td>
<td>0.3</td>
<td>0.5</td>
<td>1.4</td>
<td>0.2</td>
<td>—</td>
<td>8.2</td>
<td>3.9</td>
<td>1.8</td>
<td>1.1</td>
<td>2.6</td>
<td>3.4</td>
</tr>
<tr>
<td>English as a second language</td>
<td>0.2</td>
<td>7.8</td>
<td>0.6</td>
<td>2.0</td>
<td>3.6</td>
<td>0.3</td>
<td>0.7</td>
<td>—</td>
<td>—</td>
<td>7.2</td>
<td>1.7</td>
<td>6.4</td>
<td>2.4</td>
<td>2.5</td>
<td>1.1</td>
</tr>
<tr>
<td>Higher education</td>
<td>15.6</td>
<td>6.4</td>
<td>17.0</td>
<td>0.5</td>
<td>6.0</td>
<td>14.3</td>
<td>14.7</td>
<td>14.3</td>
<td>14.9</td>
<td>17.1</td>
<td>11.0</td>
<td>24.0</td>
<td>12.1</td>
<td>12.9</td>
<td>15.1</td>
</tr>
<tr>
<td>Vocational training</td>
<td>—</td>
<td>5.3</td>
<td>—</td>
<td>31.2</td>
<td>23.7</td>
<td>—</td>
<td>—</td>
<td>0.7</td>
<td>16.7</td>
<td>19.5</td>
<td>7.7</td>
<td>—</td>
<td>—</td>
<td>8.1</td>
<td>4.4</td>
</tr>
<tr>
<td>Job skills training</td>
<td>6.9</td>
<td>2.0</td>
<td>11.0</td>
<td>1.9</td>
<td>12.3</td>
<td>4.6</td>
<td>26.7</td>
<td>8.9</td>
<td>6.1</td>
<td>3.0</td>
<td>1.6</td>
<td>—</td>
<td>—</td>
<td>6.6</td>
<td>7.1</td>
</tr>
<tr>
<td><strong>Work-Oriented Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job readiness</td>
<td>2.5</td>
<td>10.3</td>
<td>5.0</td>
<td>15.2</td>
<td>1.5</td>
<td>25.7</td>
<td>5.3</td>
<td>6.9</td>
<td>6.6</td>
<td>5.4</td>
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<td>9.6</td>
<td>2.3</td>
<td>7.6</td>
<td>6.2</td>
</tr>
<tr>
<td>Job development</td>
<td>1.1</td>
<td>0.4</td>
<td>0.0</td>
<td>0.1</td>
<td>0.1</td>
<td>1.5</td>
<td>—</td>
<td>—</td>
<td>0.3</td>
<td>1.4</td>
<td>—</td>
<td>0.9</td>
<td>1.1</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Job search</td>
<td>10.3</td>
<td>4.0</td>
<td>11.9</td>
<td>0.3</td>
<td>12.9</td>
<td>15.7</td>
<td>10.5</td>
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<td>5.3</td>
<td>37.9</td>
<td>11.0</td>
<td>12.0</td>
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<tr>
<td>On-the-job training</td>
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<td>0.3</td>
<td>0.1</td>
<td>0.7</td>
<td>0.1</td>
<td>0.2</td>
<td>0.3</td>
<td>—</td>
<td>—</td>
<td>0.1</td>
<td>0.6</td>
<td>0.5</td>
<td>0.2</td>
<td>0.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Work supplementation</td>
<td>—</td>
<td>0.1</td>
<td>2.5</td>
<td>—</td>
<td>0.3</td>
<td>0.0</td>
<td>0.1</td>
<td>—</td>
<td>—</td>
<td>0.7</td>
<td>—</td>
<td>0.1</td>
<td>3.0</td>
<td>0.5</td>
<td>0.3</td>
</tr>
<tr>
<td>Community work experience (CWEP)</td>
<td>—</td>
<td>4.9</td>
<td>6.7</td>
<td>—</td>
<td>1.0</td>
<td>7.3</td>
<td>—</td>
<td>—</td>
<td>28.3</td>
<td>—</td>
<td>0.1</td>
<td>1.6</td>
<td>3.8</td>
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<td>3.9</td>
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<tr>
<td>Other unpaid work</td>
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<td>1.8</td>
<td>0.2</td>
<td>—</td>
<td>9.2</td>
<td>0.2</td>
<td>13.7</td>
<td>—</td>
<td>—</td>
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<td>—</td>
<td>—</td>
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<td>0.2</td>
<td>33.5</td>
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<td>2.4</td>
<td>—</td>
<td>—</td>
<td></td>
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<tr>
<td><strong>Job Entry</strong></td>
<td>21.2</td>
<td>15.3</td>
<td>12.8</td>
<td>19.5</td>
<td>17.5</td>
<td>19.6</td>
<td>18.0</td>
<td>1.9</td>
<td>12.3</td>
<td>3.2</td>
<td>18.7</td>
<td>9.4</td>
<td>15.2</td>
<td>14.2</td>
<td>16.4</td>
</tr>
<tr>
<td>Average Number of Job Participants</td>
<td>5,181</td>
<td>87,080</td>
<td>3,764</td>
<td>18,310</td>
<td>35,581</td>
<td>6,053</td>
<td>4,849</td>
<td>17,120</td>
<td>52,956</td>
<td>23,623</td>
<td>31,566</td>
<td>17,438</td>
<td>338,855</td>
<td>637,328</td>
<td></td>
</tr>
</tbody>
</table>


[^a]: Federal fiscal year 1996. Columns may not sum to 100 due to rounding.

[^b]: Percentages are averages of previous 13 columns. States are weighted equally to describe the typical focal state, not the typical JOBS participant in the focal states as a group.
standing the fact that most JOBS participants engaged in those activities. All things considered, Mississippi’s employment and training system for welfare recipients in 1996 fell at least a step below Wisconsin’s among state and local approaches emphasizing labor force attachment.

In the other two states, the above-average incidence of labor force attachment activities at the local level—whether measured relative to just JOBS participants or the overall AFDC caseload—accords with the distinctly high sense of employment emphasis evident in Lansing and Madison, emphasis that led to the earlier classification of these states as comprehensive in the labor market orientation of their JOBS programs. It is important to note, however, that local reporting of work-focused activities was substantially higher in Wisconsin than in Michigan. Based on JOBS data, Michigan more closely resembles Mississippi than Wisconsin and—like Mississippi—probably does not belong in the most labor market-oriented set of focal states.
States Focused on Education and Training

While not approaching the level seen in the first three states, a third or more of JOBS participants engaged in workforce attachment activities in nine other states, ranging from 33 percent in New Jersey to 42 percent in Minnesota (see table 5). Even so, the majority of JOBS participants in the nine states—from 58 to 67 percent—engaged in human capital development activities in 1996.

According to sources in state capitals, one of the nine states involved—California—had made an important but not comprehensive commitment to the rapid workforce attachment philosophy prior to PRWORA (see table 2). Even so, only 37 percent of its JOBS participants engaged in workplace-focused activities in 1996, according to the locally reported JOBS data in table 5. Five other states with similar shares of their JOBS activities focused on work—Alabama, Florida, New Jersey, New York, and Texas—were seen in state capitals as relying primarily on human capital investment rather than workforce attachment strategies, confining the latter to limited initiatives. It is not clear why California’s more aggressive employment emphasis, as seen from the state capital, did not translate into a larger share of workplace-focused JOBS activities at the local level. The state’s relatively decentralized, county-based welfare administrative system may have had something to do with this result, as may have its initially county-by-county adoption of the Riverside workforce attachment model.

These six states, plus Mississippi, comprise the two middle categories of states as defined by the relative emphasis placed on human capital versus workforce attachment approaches in the eyes of state-level actors (see table 2). In most of these cases, the perspectives of state personnel closely matched locally reported JOBS data. In both perception and reality, the JOBS programs in all seven states combined substantial portions of human capital investment and workforce attachment services without making either the overriding emphasis. Interestingly, this pattern characterized all four of the southern states studied (Alabama, Florida, Mississippi, and Texas) as well as two of the three urbanized northeastern states examined (New Jersey and New York).

The states in this group were also similar in the role played by JOBS in promoting rapid workforce attachment among the whole AFDC caseload. In all seven instances, only about 1 in 12 to 1 in 25 adult AFDC recipients participated in immediately work-focused activities through JOBS in the average month of 1996. The majority of these states—Alabama, California, Florida, and Texas—split their workforce attachment JOBS activities fairly evenly between job entry and JOBS-assisted, work-oriented activities. In contrast, almost all Mississippi and New York recipients who participated in rapid workforce attachment activities engaged in JOBS-supported, work-oriented activities, as did about two-thirds of such clients in New Jersey. The extremely lopsided pattern in Mississippi resulted from the state’s extraordinarily heavy reliance on paid and unpaid work supported by JOBS (see table 4). Paid and unpaid work constituted 47 percent of all JOBS activities in Mississippi but no more than 12 percent in any other state. The imbalance in New York resulted from unusually heavy reliance on community work experience (CWEP). CWEP
accounted for 28 percent of all JOBS cases in New York but at most 7 percent of cases in the other focal states.43

Two other things are noteworthy about this set of seven states. First, it includes four of the five largest AFDC states in the nation as of 1996—California, Florida, New York, and Texas. Thus, for a large portion of the nation’s welfare recipients, the employment and training service environment just prior to PRWORA combined important but still incomplete commitments to rapid workforce attachment at the state level with local JOBS programs that still involved most of their clients (around 60 percent) in human capital development activities.44 It is worth noting as well that the California and Texas JOBS programs listed 20 percent of all participants as engaged in employability assessment and employment planning, the very first step of the welfare-to-work process. In other states with similar overall emphases on labor market connections, the share of JOBS clients at the assessment and planning stage ranged from essentially none in Florida, New Jersey, and New York to 9 percent in Alabama.

Besides the states just discussed in detail, three other focal states engaged roughly 40 percent of their JOBS clients in labor force attachment activities in 1996: Colorado (39 percent), Massachusetts (42 percent), and Minnesota (42 percent). For these three states, welfare-to-work philosophies for JOBS as described by state sources do not appear to match the reported mix of JOBS activities from the field. Colorado and Minnesota engaged a larger share of JOBS participants in workforce attachment activities locally than informants in the state capitals would lead one to expect, while the reverse was true in Massachusetts (i.e., locally reported workforce attachment totals fell short of impressions garnered in the state capital). Possible explanations of these discrepancies merit careful attention, given the importance of any difference between what employment programs for welfare recipients actually do and what state leaders expect them to do.

Perceptions in the Colorado and Minnesota capitals led us to classify these states as focusing their pre-PRWORA JOBS programs almost exclusively on human capital investment. Yet, these programs delivered work-focused services to roughly the same share of JOBS participants—and the same share of the overall AFDC caseload—as a half-dozen other states seen centrally as placing greater emphasis on the “Work First” philosophy. One factor that may account for this pattern emerged from our research in Minnesota—the difference between a program that emphasizes rapid entry into the labor force and one with work as its ultimate goal but not the short-run imperative. In 1996, Minnesota’s welfare-to-work approach did emphasize getting a job, but only a good job that would raise overall family income as AFDC and other forms of economic assistance were phased out. Thus, sources in the state capital highlighted the state’s investment in education and training even as JOBS programs in the counties also made substantial use of job placement and other work-related services once human capital investments had been completed. Though it did not come up with state sources in Colorado, it is possible that a similar story applied in that state as well.

The fact that neither state had strengthened its AFDC work requirements, earnings incentives, or sanctions statewide (beyond standard AFDC rules) in 1996 may also help to explain some of the state/local discrepancy (Zedlewski, Holcomb, and
Perhaps as a result, state-level perceptions of the role of employment-focused services in JOBS were diminished. While this theory works in Colorado and Minnesota, it does not hold up when applied to several other focal states; strengthened work policies for AFDC were just as rare in three states with similar JOBS shares but greater awareness among state decisionmakers of the program’s workforce attachment component. Nor does a related hypothesis concerning waiver experience explain the discrepancy: both Colorado and Minnesota had done at least as much—not less—to implement stronger AFDC work policies on a test basis in a subset of their counties as other comparable states with greater central awareness of JOBS’s “Work First” component.

One hypothesis for these two states does seem to conform with broader patterns, however. It is possible that the relatively decentralized, county-based systems for delivering employment and training services in Colorado and Minnesota created a larger-than-usual opportunity for local programs to depart from the norms perceived in the state capitals. This theory is borne out in California, another decentralized state, where a discrepancy also arose between state-level perceptions of employment and training program emphasis and county-reported client activities in the state JOBS system. Though the direction of that discrepancy differed—fewer, rather than more, workplace-related activities appeared in the California JOBS data than Sacramento informants had led us to expect—the principle is the same: in certain states, one simply should not expect state-level observers to be terribly well informed about what is happening in individual counties and, therefore, in the state as a whole.

Massachusetts poses a different puzzle. Despite the perception in the state capital that JOBS had moved to a comprehensive emphasis on work by mid-1996, the JOBS activity data in the state look very similar to several other focal states where rapid labor force attachment efforts did not have such a high profile. As in Alabama, Colorado, Minnesota, and New York, around 40 percent of all JOBS participants in Massachusetts engaged in “Work First”-style activities in 1996. That the Massachusetts JOBS program, and only that one, should be perceived as largely work oriented by state sources is particularly surprising given the state’s highly centralized welfare administrative structure. This anomaly may be an artifact of the data (e.g., unusual coding of JOBS activities in local offices, inexact conveyance or interpretation of state-level viewpoints during site visit interviews), though there is no particular reason to expect data issues to arise here ahead of other states.

Another potential explanation appears when Massachusetts data are considered from a longer-term perspective. In the year preceding this study, federal fiscal year 1995, Massachusetts relied much more on education and training services than either of the other two focal states categorized centrally as placing comprehensive emphasis on rapid workforce attachment in 1996. Seventy-nine percent of JOBS participants in Massachusetts engaged in education and training activities in 1995, compared with 45 and 29 percent in Michigan and Wisconsin. In adopting a comprehensive emphasis on rapid labor market involvement the following year (Massachusetts’s welfare reform program, Transitional AFDC, was implemented in November 1995), the state decided to continue education and training activities for JOBS participants already using those services until their courses of study were completed. It is not surprising that this left the state with a low participation rate in work-focused
activities a year later, even though the “Work First” philosophy had advanced a good
deal by then and was perceived to have done so. Under such circumstances, one can
understand how state-level sources might characterize the state’s JOBS program as
placing comprehensive emphasis on early labor market engagement in 1996, even
when the share of such services in JOBS remained low by external standards.

This explanation is good as far as it goes, but one must again contend with coun-
terexamples from other states. In particular, two nearby states, New Jersey and New
York, went through similar processes without creating the perception at the state
level of a comprehensive focus on work in JOBS. New Jersey, like Massachusetts,
expanded its emphasis on quick workforce involvement in 1996 after heavy reliance
on education and training as a share of JOBS the preceding year. In contrast, New
York started its transition a year earlier, with declines in education and training’s
share of JOBS taking place in both 1995 and 1996. Yet, in neither state did sources
in the state capital perceive a comprehensive emphasis on rapid labor force attach-
ment in 1996, as was true in Massachusetts. Many other factors no doubt differed
among these three states, and one is left with, at best, different theories of the con-
flicting stories told at the state and local level. Weighing all the evidence, it seems
that the slow migration of existing JOBS clients to work-focused activities most likely
explains the advanced perception of “Work First” implementation in the Massachu-
setts state capital.

Final Case and Summary

Washington, the final state among the 13, had a smaller share of its JOBS clients
engaged in workforce attachment activities in 1996 than any other focal state—just
28 percent. This conforms with the state-level picture gathered during the site vis-
its that, prior to PRWORA, the state of Washington was committed to education and
training as the best way to help welfare recipients become economically independent.
Higher education predominated, with 24 percent of Washington’s JOBS clients
studying beyond high school, compared with 17 percent in the next highest focal
state (see table 4). A surprising number of clients had not progressed beyond assess-
ment and employment planning in 1996—a quarter of all JOBS clients, again the
highest percentage of any focal state.

In sum, prior to national welfare reform in 1996, the emphasis of employment
and training assistance for AFDC recipients in the JOBS program fit four patterns for
the 13 states studied:

• Adoption and implementation of rapid workforce attachment policies on a large
  scale, involving at least 70 percent of JOBS participants and 20 percent of all
  AFDC adult recipients in employment-focused JOBS activities (one focal state—
  Wisconsin);

• More limited—but still majority—use of rapid workforce development strategies,
  engaging 50 to 70 percent of JOBS participants in work-focused activities and
  the remainder in educationally focused human capital development activities
  (two focal states—Michigan and Mississippi);
• Primary reliance on human capital development strategies, involving 50 to 70 percent of JOBS participants in education and related activities while remaining participants pursue more rapid workforce attachment (nine focal states—Alabama, California, Colorado, Florida, Massachusetts, Minnesota, New Jersey, New York, and Texas); and

• Adoption and implementation of human capital development policies on a large scale, involving more than 70 percent of JOBS participants and 20 percent of all AFDC adult recipients in educationally focused JOBS activities (one focal state—Washington).

These groupings, summarized in table 6, differ in important ways from the four-way classification developed earlier in the paper using information based only on the perceptions of key individuals at the state level (see table 2). Adding information on actual employment and training activities as reported by local JOBS staff produces a more informed and comprehensive picture of the service emphasis of welfare-to-work programs in 13 states on the eve of national welfare reform.

5. Coordination and Integration of Employment Services between the Welfare and Workforce Development Systems

Recent legislation cited earlier—PRWORA, the Welfare-to-Work Grants Program of 1997, and the Workforce Investment Act of 1998—places an increased emphasis on interaction among education, training, and employment service providers. As explained earlier, PRWORA dramatically changed the way states provide public assistance to low-income families. It brought increased focus on moving welfare recipients into work as quickly as possible—a goal now shared with providers of employment and training services to mainstream workers not on welfare. This common purpose may draw welfare-to-work programs into closer coordination with
other employment assistance providers, such as JTPA Title III (for dislocated workers) and the Employment Service (ES) (for unemployed workers generally). In particular, states now must increase their work activity participation rates in the TANF program from 25 percent in 1997 to 50 percent in 2002. For two-parent families, work activity rates must reach 90 percent by 1999. Compared with previous JOBS participation requirements, these new goals increase pressure on states to develop expanded employment and training systems that can better serve welfare recipients without short-changing other employment and training constituencies.

For its part, the Welfare-to-Work Grants Program allocated $3 billion over two years (fiscal years 1998 and 1999) for states to implement employment and training activities designed to help TANF recipients who are the least job ready. A large portion of these funds must be administered through local JTPA agencies, presumably in coordination with state and local TANF agencies. Finally, an avowed intent of the Workforce Investment Act is to combine all federally sponsored employment and training programs into a single workforce development system operated through “one-stop” career centers. These centers could provide ideal vehicles for coordinating welfare-to-work services more extensively with other employment and training programs.

With these three federal changes, interaction and coordination of the various elements of the employment and training system becomes a top priority for state and local government. As part of this process, states will have to develop more efficient links among welfare employment and training programs, other disadvantaged worker programs, and the ES (which matches unemployed workers to available jobs) and perhaps merge them entirely. This section documents state and local efforts to coordinate and integrate welfare-to-work and other workforce development efforts in 1996, prior to national reform. This analysis is important since it will provide a baseline of the level of coordination existing prior to the arrival of new incentives to create integrated employment systems.

**State-Level Coordination**

States began restructuring employment and training service delivery systems for welfare recipients even before the recent spate of national legislation. The changes made responded to what many perceived as duplicative and disconnected state-run employment and training programs—an arrangement believed to have been producing not just inefficiencies but also inadequacies in service delivery. Several states consolidated programs into a single state-level workforce development system, using “one-stop” centers or other means to deliver coordinated service locally. Other states stopped short of a full merger of programs at the state level, while still expanding coordination locally and/or centrally. Work by Nightingale et al. (1997) provides a convenient framework for measuring state-level coordination based on interactions between state agencies that oversaw local JTPA, ES, and JOBS employment programs. The framework identifies four levels of state-level coordination:

- **Model 1**: Structural integration of the welfare and JTPA systems at the state level. The administration of JTPA and welfare-to-work programs is combined within a
single state agency, usually an employment and training or workforce development agency.

- **Model 2**: Formal interaction between the welfare and JTPA systems at the state level. State-level integration has not occurred, but either (a) the state agency administering JTPA has formal administrative responsibility for all or some aspects of the state’s welfare-to-work program or (b) the welfare agency has transferred all or some TANF work funds to the agency that administers JTPA. In this model, the local service delivery structure may vary widely across the state.

- **Model 3**: Formal interaction between the welfare and ES agencies at the state level. A formal financial or nonfinancial agreement exists at the state level for the ES agency to provide some or all TANF work services locally. In this model, the local service delivery structure is fairly standardized throughout the state.

- **Model 4**: Minimal or no formal role for the JTPA or ES agency at the state level. No formal state contracts or interagency management teams exist. Relationships are locally driven. Some local coordination may take place, with county welfare agencies formally contracting with JTPA or ES offices to provide some or all welfare-to-work services, or coordination may be strictly local and informal, such as referral arrangements.

These categories are applied here to the workforce development and welfare systems in the 13 focal states just prior to national welfare reform in mid-1996. Table 7 shows the result.49

Overall, the role of JTPA and workforce development in welfare employment and training varied considerably across the 13 states. Before mid-1996, very little agency-level integration of employment services existed. Of the 13 states, only Michigan had structurally integrated its welfare employment and training and JTPA systems at the state level. Since 1991, the Michigan Jobs Commission (MJC) has administered all employment and training programs, including the state's old JOBS

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**Table 7** State-Level Coordination of JOBS and Other Workforce Development Systems, Mid-1996

<table>
<thead>
<tr>
<th>State</th>
<th>Structural Integration with JTPA</th>
<th>Formal Contracting with JTPA</th>
<th>Formal Contracting with ES Agency</th>
<th>No Formal Coordination at the State Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>California</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colorado</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Florida</td>
<td>*</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Massachusetts</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michigan</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minnesota</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mississippi</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>New Jersey</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>New York</td>
<td>*</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Texas</td>
<td>*</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Washington</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>*</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

* Movement toward structural integration with JTPA under way in mid-1996.
program. In 1996, the Michigan Employment Security Commission, which runs the state Job Service, also became a part of the MJC.

In addition to Michigan, three states were transitioning from minimal or no formal relationship between state-level JTPA and welfare agencies to structural integration of all workforce development programs. In 1996, New York, Texas, and Wisconsin all passed state legislation to consolidate all employment and training programs in one department. However, as of mid-1996, reorganization of these departments was still ongoing. Florida was also planning full integration at that time, a move that would bring together JOBS, JTPA, and the Employment Service within the Department of Labor and Employment Services (DLES).

Though not moving toward full integration within a single department, Massachusetts and Minnesota used formal state-level agreements between JTPA and the welfare system to gain some of the efficiencies of coordination. In Massachusetts, the state welfare department contracted directly with all substate JTPA entities to provide employment and training services to the welfare population. In Minnesota, the JOBS program was administered under an interagency agreement between the workforce development department and the welfare department. The welfare department maintained responsibility for fiscal matters and policy development, while the workforce development department took responsibility for technical assistance and training of service providers, data collection and reporting, monitoring of programs, and certification of employment and training providers.

Florida was the only one of the 13 states with a formal agreement between its state welfare and ES agencies in mid-1996. Beginning in 1992, the Department of Health and Rehabilitative Services, which administered the JOBS program, contracted with DLES—which runs ES programs—to oversee the staffing and operation of the JOBS program at the local level. As mentioned earlier, complete integration of JOBS, JTPA, and ES under DLES leadership was about to take place in mid-1996, supplanting this arrangement.

None of the remaining focal states—Alabama, California, Colorado, Mississippi, New Jersey, and Washington—had formal agreements in place between state-level welfare departments and their JTPA and ES counterparts. Nor was any movement toward structural integration under way in these states as of mid-1996.

Thus, on the eve of national welfare reform and before the push for employment and training service integration reached full force, 12 of the 13 focal states operated JOBS and JTPA programs for welfare recipients from separate departments. Of the 12, 2 used state-level contracting arrangements to coordinate services, and 4 were moving toward full structural integration within a single department. Still, systems integration and coordination at the state level were not at all evident in nearly half the focal states.

**Local Coordination between AFDC and JTPA**

Local attempts at program coordination can vary considerably from those of state agencies. In some cases, state agency agreements have no effect on the relationship of local welfare and employment and training agencies; in others, they tightly define
local efforts. Given this history, it is important to document local-level coordination and integration between welfare offices and employment and training systems in the 13 states just prior to the implementation of TANF. Coordination will be measured by the extent to which two employment programs (e.g., JOBS and the Employment Service) serve the same population (e.g., AFDC recipients) and integration by the extent to which two programs assist the very same people (e.g., individuals co-enrolled in JOBS and JTPA in the same year).

At the local level, employment and training programs outside the welfare system—such as JTPA and the ES—have long collaborated with the welfare agencies in their communities to pursue welfare-to-work objectives. Sometimes local welfare departments have contracted with JTPA and/or the ES to deliver specific employment-related services (e.g., job search and/or job placement). In other instances, local employment agencies have entered into formal contracts with county welfare offices to operate all or most of a JOBS or other welfare-to-work program.

Complementary enrollments between AFDC and JTPA at the local level provide one indicator of the formal and informal coordination between the two systems. To the extent that JOBS and JTPA serve the same population—AFDC adult recipients—they are likely to coordinate their efforts in two ways: by jointly serving individuals co-enrolled in both employment programs and deciding which clients will be served by one program but not the other. Since JOBS serves only AFDC recipients, the degree of correspondence between the two programs’ service populations depends on the share of JTPA participants who also come from the AFDC caseload. This share also indicates the importance of welfare-to-work to the overall mission of JTPA and, therefore, the degree to which AFDC issues, operations, and service needs may influence the overall focus of local JTPA programs.

Table 8 provides information on the level of coordination and potential influence taking place between AFDC/JOBS and JTPA in 1996, as measured by the share of JTPA clients on AFDC that year. For the nation as a whole, it shows that a substantial share of JTPA’s disadvantaged-worker clients (Title IIA and Title IIC participants terminating JTPA enrollment during program year 1995) received AFDC in the year prior to national welfare reform—32 percent both in the average focal state and nationwide. Many of these individuals were dually enrolled in the two programs while others enrolled in JTPA without entering JOBS (see section 2). Hence, the figures in table 8 exaggerate the degree of full-fledged service integration necessitated by serving the same set of individuals (see below). Still, based on just their overlapping populations, it is evident that local JTPA and JOBS programs interacted considerably in 1996, a circumstance likely to have given local AFDC programs and recipients a degree of influence over JTPA’s overall operations.

As was true of state-level arrangements between the two programs, local JTPA and JOBS coordination varied considerably across the states in 1996. For the 13 focal states, the share of JTPA clients receiving AFDC ranged from 17 percent in Alabama and Mississippi to 41 percent in Massachusetts. A good deal of this variation reflected differences in the size of state AFDC caseloads relative to the pool of potential JTPA participants: all other things equal, states with greater shares of residents on AFDC will draw more of their JTPA clients off the welfare rolls. As a result, states with the largest shares of JTPA participants receiving AFDC did not
necessarily place the greatest emphasis on JTPA/AFDC program coordination at the local level. To take account of differences in AFDC caseload sizes, Table 8 also reports the number of AFDC adult recipients in a state for every 1,000 state residents.

One or two examples may be helpful in understanding the relationship between these two factors. Look first at the per capita caseload figures in Alabama and Massachusetts. Alabama had less than half as many adults on AFDC in 1996 as Massachusetts, relative to the two states’ overall populations. Moreover, the contrast in caseloads—18 AFDC recipients per 1,000 residents in Massachusetts compared with just 8 in Alabama—explains most of the difference between the two states in the degree to which JTPA served welfare recipients, again a contrast of more than 2 to 1. This suggests that the two states placed roughly equal emphasis on AFDC/JTPA coordination efforts at the local level in 1996, leaving the state with the larger AFDC caseload with proportionately greater welfare representation in its JTPA program.

A further example illustrates how factors other than caseload size influenced the enrollment of AFDC recipients in JTPA programs in 1996. Comparing Massachusetts and Alabama, Table 8 shows that Massachusetts had a much higher percentage of AFDC recipients in its JTPA programs than Alabama: 40.6% versus 16.9%. However, the number of AFDC adult recipients per 1,000 state residents was similar: 18 in Massachusetts compared with 8 in Alabama. This suggests that the two states placed roughly equal emphasis on AFDC/JTPA coordination efforts at the local level in 1996, leaving the state with the larger AFDC caseload with proportionately greater welfare representation in its JTPA program.

Table 8  Share of JTPA Participants Receiving AFDC, and AFDC Caseload Size Relative to Population, by State, 1996

<table>
<thead>
<tr>
<th>State</th>
<th>JTPA Title IIA and IIC Termeenea Number</th>
<th>Percentage on AFDC</th>
<th>Number of AFDC Adult Participants per 1,000 Residentsb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>3,885</td>
<td>16.9</td>
<td>8</td>
</tr>
<tr>
<td>California</td>
<td>33,786</td>
<td>32.9</td>
<td>34</td>
</tr>
<tr>
<td>Colorado</td>
<td>3,681</td>
<td>38.9</td>
<td>10</td>
</tr>
<tr>
<td>Florida</td>
<td>13,251</td>
<td>33.6</td>
<td>15</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>5,743</td>
<td>40.6</td>
<td>18</td>
</tr>
<tr>
<td>Michigan</td>
<td>8,359</td>
<td>31.4</td>
<td>24</td>
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<tr>
<td>Minnesota</td>
<td>4,681</td>
<td>37.1</td>
<td>15</td>
</tr>
<tr>
<td>Mississippi</td>
<td>5,371</td>
<td>17.0</td>
<td>16</td>
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<tr>
<td>New Jersey</td>
<td>7,391</td>
<td>33.1</td>
<td>15</td>
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<tr>
<td>New York</td>
<td>14,138</td>
<td>34.8</td>
<td>30</td>
</tr>
<tr>
<td>Texas</td>
<td>19,880</td>
<td>23.3</td>
<td>14</td>
</tr>
<tr>
<td>Washington</td>
<td>4,834</td>
<td>36.0</td>
<td>23</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>5,602</td>
<td>36.4</td>
<td>12</td>
</tr>
<tr>
<td>13 Focal Statesd</td>
<td>130,602</td>
<td>31.7</td>
<td>18</td>
</tr>
<tr>
<td>Entire U.S.</td>
<td>252,947</td>
<td>31.6</td>
<td>20</td>
</tr>
</tbody>
</table>

a. JTPA program year 1995 (July 1995 to June 1996) for JTPA; federal fiscal year 1996 for AFDC.
b. JTPA Title IIA (for disadvantaged adults) and Title IIC (for out-of-school youths) participants who terminated their JTPA enrollment at some point during the year, excluding those who participated in JTPA’s “objective assessment” component only. Source: U.S. Department of Labor (FY 95) Standardized Program Information Report Public Use File.

c. Sources: Table 1; U.S. Bureau of the Census.
d. Average of previous 13 rows (except for first column). States are weighted equally to describe the typical focal state, not the typical JTPA terminee—nor the typical set of 1,000 residents—in the focal states as a group.
setts with Mississippi, the share of JTPA participants receiving AFDC was once again much higher in Massachusetts. However, the Massachusetts AFDC caseload barely exceeded Mississippi’s as a share of total population: 18 recipients per 1,000 residents, compared with 16 per 1,000 in Mississippi. Since caseload differences cannot explain the full contrast, something else must have led to a much higher rate of inclusion of AFDC adults in JTPA in Massachusetts than in Mississippi. At least two factors are possibilities: state-level coordination agreements between the two programs, which were stronger in Massachusetts than Mississippi (see table 7), and the role of local agency discretion in coordinating service delivery between AFDC and JTPA at the community level. It may be that local agencies in some states had the freedom to move beyond—or stop short of—the degree of formal program integration established through state agreements, while in other states they did not. Thus, in interpreting AFDC and JTPA overlap at the local level, it is important to consider three possible influences—AFDC caseload size, state-level agreements, and local agency autonomy.

As noted above, one focal state—Michigan—operated AFDC, JOBS, and JTPA from within a single state agency in 1996. Despite this head start, Michigan did not have a higher share of its JTPA services directed to AFDC recipients than the national norm. With the strong opportunities presented at the state level to collaborate in serving the welfare population, 31 percent overlap of JTPA with the AFDC population constitutes a surprisingly low level of local coordination between JTPA and JOBS. This shift cannot be accounted for by an unusually high degree of county autonomy in administering employment and training programs. It becomes even more striking when one recognizes that Michigan had a larger pool of welfare participants per capita to draw from than most states: 24 AFDC adult recipients per 1,000 residents, compared with 20 per 1,000 in the U.S. as a whole (and 18 per 1,000 in the average focal state).

The connection between state-level interagency coordination and local practice can be tenuous in the employment and training realm, given the long history of local decisionmaking on service delivery issues in most states. In Michigan, local discretion with regard to service providers—while not above average—may have played a part in lowering local AFDC/JTPA coordination below what would have been expected given formal program affiliation at the state level. The ANF case studies and other research (U.S. General Accounting Office 1999, table 1 and associated text) indicate that state leadership focused primarily on policy setting in Michigan in 1996, leaving service delivery decisions to local workforce development agencies. In addition, JTPA agencies were expressly forbidden from providing JOBS services themselves, a constraint that may have limited local AFDC and JTPA overlap as a practical matter even though full structural integration had occurred at the state level.

Program overlap was considerably higher in Massachusetts and Minnesota, the other two focal states with formal connections between AFDC and JTPA at the state level in 1996. In both cases, state JOBS agencies had set up contracts with JTPA to provide employment and training services to welfare recipients. Perhaps because of these arrangements, each of the states drew a higher-than-average share of its JTPA participants from the AFDC rolls: 41 percent in Massachusetts and 37 percent in Minnesota. This relatively high degree of interaction between welfare-to-work and
more mainstream employment and training service providers was achieved despite
the fact that the states had relatively small AFDC programs: 18 AFDC adults per
1,000 residents in Massachusetts and 15 per 1,000 in Minnesota. Extensive local
coordination may have resulted from coupling statewide agreements with the states’
historical tradition of strong central involvement in social program operations,
although our site visits documented greater local freedom in running employment
and training programs. If local discretion played a role in these states, it may have
reinforced the coordination agreements in place at the state level. This seems par-
ticularly likely in Massachusetts, where the state JOBS agency contracted directly
with substate JTPA entities for service provision rather than the state-level oversight
agency.

Four states had no formal coordination arrangements in place at the state level
in 1996 but were moving toward full structural integration of JOBS and JTPA at
that time (see table 7). Three of these four states—Florida, New York, and Wiscon-
sin—focused their JTPA programs on AFDC recipients slightly more than usual,
drawing 34 to 36 percent of their JTPA participants from the welfare rolls. The
fourth state—Texas—went in the other direction, filling just 23 percent of its JTPA
slots with AFDC recipients. All of these states except New York served smaller-than-
average AFDC caseloads at that time, making the slightly above-average incorpora-
tion of AFDC recipients in JTPA in Florida and Wisconsin more notable. In con-
trast, New York’s coordination rate was low, not in absolute terms but in relation to
its very large AFDC caseload per capita (30 adults recipients per 1,000 residents).
This may have been the result of the unusually high level of discretion allowed local
decisionmakers in directing employment and training programs in New York.

Finally, the six states with no formal state-level coordination between JOBS and
JTPA in place or in progress in 1996 divide into three subsets. Alabama and Missis-
sippi drew relatively few of their JTPA participants from the AFDC rolls—17 per-
cent. In Alabama, which had a very small AFDC caseload in 1996 (8 AFDC adults
per 1,000 residents), 17 percent constitutes a slight overrepresentation of AFDC
recipients in JTPA, not an underrepresentation. Mississippi’s caseload was much
larger (16 AFDC adults per 1,000 residents), making the low involvement of AFDC
recipients in JTPA in that state a true indicator of below-average cooperation
between the two agencies. This is not surprising, absent state leadership in this area.
Alabama’s tradition of strong state control over local employment and training activ-
ities makes that state’s slight overrepresentation of AFDC recipients in JTPA much
harder to explain, absent any formal state-level coordination in that state.

AFDC’s share of JTPA services in California and New Jersey was about average,
33 percent in each state. The California figure signifies a below-average level of local
JTPA coordination with welfare programs, given the state’s very large pool of AFDC
adult recipients (34 per 1,000 residents) who might have been served by JTPA. Per-
haps this is not surprising, given the lack of centralized coordination between the two
programs. New Jersey’s AFDC pool, on the other hand, was smaller than average
(15 adult recipients per 1,000 residents) and, hence, somewhat overrepresented—
not underrepresented—in JTPA. If local coordination initiatives between AFDC and
JTPA made this result possible given the lack of statewide agreements, they did so
despite a tradition of strong employment and training leadership at the state level.
The final two states with no state-level coordination under way in 1996 also drew an above-average proportion of their JTPA participants from AFDC: Colorado (39 percent) and Washington (36 percent). The Washington result may reflect nothing more than the state’s larger-than-average AFDC caseload per capita (23 AFDC adults for every 1,000 residents). Taking caseload into account, Washington exhibits an average level of program overlap despite the lack of state-level coordination in 1996 and a history of strong state leadership in the employment and training area. In contrast, Colorado had the second-smallest AFDC caseload per capita of all focal states (10 AFDC adults per 1,000 residents) and the second-highest representation of AFDC recipients in its JTPA program. In that state, it appears that county-initiated coordination of the AFDC and JTPA programs was quite important given that there were no state-level coordination arrangements in place or in progress—so important, in fact, that more than twice as many AFDC adults participated in JTPA as would have been predicted based on caseload size alone. This pattern is consistent with Colorado’s history of county autonomy in refining and targeting social service programs, including employment and training services.

Table 9  Share of JTPA Participants Enrolled in AFDC—Predicted, Actual, and Departure from Predicted—by State, 1996

<table>
<thead>
<tr>
<th>State</th>
<th>Predicted</th>
<th>Actual</th>
<th>Departure from Predicted (Percent Change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>12.8</td>
<td>16.9</td>
<td>32</td>
</tr>
<tr>
<td>California</td>
<td>54.3</td>
<td>32.9</td>
<td>-39</td>
</tr>
<tr>
<td>Colorado</td>
<td>17.0</td>
<td>38.9</td>
<td>129</td>
</tr>
<tr>
<td>Florida</td>
<td>24.3</td>
<td>33.6</td>
<td>38</td>
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<tr>
<td>Massachusetts</td>
<td>29.0</td>
<td>40.6</td>
<td>40</td>
</tr>
<tr>
<td>Michigan</td>
<td>38.1</td>
<td>31.4</td>
<td>-18</td>
</tr>
<tr>
<td>Minnesota</td>
<td>35.0</td>
<td>37.1</td>
<td>48</td>
</tr>
<tr>
<td>Mississippi</td>
<td>25.6</td>
<td>17.0</td>
<td>-34</td>
</tr>
<tr>
<td>New Jersey</td>
<td>24.5</td>
<td>33.1</td>
<td>37</td>
</tr>
<tr>
<td>New York</td>
<td>48.1</td>
<td>34.8</td>
<td>-28</td>
</tr>
<tr>
<td>Texas</td>
<td>22.0</td>
<td>23.3</td>
<td>6</td>
</tr>
<tr>
<td>Washington</td>
<td>36.9</td>
<td>36.0</td>
<td>-2</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>19.3</td>
<td>36.4</td>
<td>89</td>
</tr>
<tr>
<td>13 Focal States</td>
<td>29.0</td>
<td>31.7</td>
<td>23</td>
</tr>
<tr>
<td>Entire U.S.</td>
<td>31.6</td>
<td>31.6</td>
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</tr>
</tbody>
</table>

b. JTPA Title IIA (for disadvantaged adults) and Title IIC (for out-of-school youths) participants who terminated their JTPA enrollment at some point during the year, excluding those who participated in JTPA’s “objective assessment” component only. Source: U.S. Department of Labor (FY 95) Standardized Program Information Report Public Use File.
c. Assumes AFDC’s share of JTPA “slots” in any state is proportionate to AFDC’s share of total population in the state (factor of proportionality = 15.8). Percentage (actual) of JTPA Title IIA and IIC terminee on AFDC for entire U.S. multiplied by the ratio of AFDC adult recipients per 1,000 residents in a given state to AFDC adult participants per 1,000 residents in the entire U.S. (Source for ratio: last column of table 8.)
d. Actual minus predicted divided by predicted (×100).
e. Average of previous 13 rows. States are weighted equally to describe the typical focal state, not the typical JTPA terminee in the focal state as a group.
Table 9 summarizes these findings by showing the extent to which JTPA served welfare recipients in each focal state and in the nation as of 1996, controlling for differences in AFDC caseloads across the different jurisdictions. It compares the percentage of JTPA participants predicted to be on AFDC (column 1) to the percentage of JTPA participants actually on AFDC (column 2, from table 8). Predicted figures assume that the share of JTPA clients on AFDC varies across states in proportion to the AFDC caseload, as measured by the share of all residents on AFDC. These figures simulate the extent to which JOBS and JTPA would serve the same population in a hypothetical world where state and local policy choices influence the inclusion of AFDC participants in JTPA equally in all states. The difference between the simulated and actual program overlap—which appears in the final column of the table as a percent change—shows how each state’s state and local policy choices, including its formal state-level arrangements and local coordination initiatives, led to greater or lesser AFDC/JOBS overlap than expected in 1996.

In four instances—California, Michigan, Mississippi, and New York—focal states achieved less state and local program coordination in 1996 than their caseloads would lead one to expect. The share of JTPA “slots” going to welfare recipients in those states fell 18 to 39 percent short of predicted levels, given AFDC caseload size and the average level of JOBS/JTPA coordination in the country as a whole. Each of these departures has a somewhat different character, however:

- California did not reach the national average of overlap between AFDC and JTPA once its unusually large AFDC caseload is taken into account. Compared with a predicted overlap of 54 percent based on caseload size, California’s actual percentage of JTPA participants on AFDC (33 percent) fell well short of the level predicted by national patterns, a 39 percent shortfall in total. This suggests that—lacking any statewide coordination agreements or trends—county agencies in the state did less to coordinate their JOBS and JTPA programs than those in the typical U.S. state.

- Michigan also failed to reach the national average of program coordination once AFDC caseload is taken into account. Its actual AFDC/JTPA overlap rate of 31 percent in 1996 compared unfavorably to a predicted level of 38 percent based on caseload alone, a shortfall of 18 percent. The state apparently experienced a breakdown in program coordination at the local level despite having combined JOBS and JTPA in a single state agency five years previously (in 1991). A statewide prohibition against welfare offices contracting with local JTPA organizations to provide JOBS services may have been a factor in this result.

- Lacking state-level coordination, Mississippi failed to reach the national average of overlap between AFDC and JTPA, even taking its caseload into account. Perhaps due to lack of local initiative relative to the average state, Mississippi’s actual AFDC/JTPA overlap—17 percent—fell 34 percent short of its predicted level.

- New York—though at the beginning of a movement toward state-level integration in 1996—also appears to have had too few locally initiated coordination efforts in place at that time to reach the level of AFDC participation in JTPA predicted by its welfare caseload size alone. Here, the actual rate fell 28 percent below a predicted rate of 48 percent.
Another five states exceeded the national norm for (caseload-adjusted) AFDC/JTPA overlap by an amount similar to the shortfall in these first four states. Reasons varied for why Alabama, Florida, Massachusetts, Minnesota, and New Jersey were able to increase AFDC involvement in JTPA by 32 to 48 percent above expected levels, given caseload size:

- Alabama and New Jersey rose above their expected levels of JOBS/JTPA coordination without the benefit of any formal state-level agreements or movements. These results—AFDC/JTPA overlaps that exceeded predicted overlaps by 32 and 37 percent, respectively, in Alabama and New Jersey—suggest the importance of local initiatives in advancing program coordination even in states with a history of state leadership in employment and training matters.

- Florida also lacked formal coordination between JOBS and JTPA at the state level, but it attained a higher-than-average coordination rate for the two programs, given its caseload size. Its 38 percent “surplus” of AFDC participants in JTPA may have benefited from a nascent movement toward formal integration at the state level in 1996.

- Local agencies in Massachusetts and Minnesota appear to have maintained or extended state-level coordination agreements centered around contracting with JTPA to provide JOBS services. Their cooperation put AFDC involvement and influence in JTPA ahead 40 to 48 percent over the level predicted by AFDC caseload size alone.

Two focal states involved AFDC recipients in JTPA even more extensively, given their caseload sizes: Colorado and Wisconsin. Wisconsin nearly doubled the degree of coordination predicted by its small AFDC caseload and Colorado more than doubled its predicted share. Though both states had small per capita caseloads and high JOBS and JTPA coordination rates, the origins of these results were quite different:

- Of all the focal states, Colorado probably spurred on its JOBS and JTPA coordination efforts most through local initiatives. The state lacked any centralized coordination arrangement between the two programs and was not moving in that direction in 1996. But its tradition of local autonomy in defining and targeting employment and training programs allowed it to exceed the level of AFDC involvement in JTPA suggested by its caseload size by 129 percent.

- A movement toward formal state-level coordination was under way in Wisconsin in 1996, a movement apparently anticipated by or supplemented through local efforts to coordinate JOBS and JTPA at that time. Compared with the level predicted by its AFDC caseload size, Wisconsin's share of JTPA participants on welfare was 89 percent above the national norm.

The two remaining focal states—Texas and Washington—essentially matched the level of AFDC/JTPA overlap predicted for them by their AFDC caseloads. Slightly different circumstances underlay these results, however:

- In 1996, Texas was moving toward formal state-level arrangements for JOBS/JTPA coordination, a factor that may have helped the state reach and just surpass the level of AFDC/JTPA overlap predicted by its caseload size and overall national patterns. The narrow 6 percent excess of actual over anticipated
overlap may also have resulted from local initiatives undertaken prior to having a formal state-level agreement in place.

• Finally, Washington reached its predicted level of program coordination in circumstances similar to those in Alabama and New Jersey. No state-level agreement to integrate AFDC and JTPA was in place or in progress in 1996, nor did the state have a tradition of local autonomy on employment and training issues. Despite these handicaps, enough actual coordination took place at the local level to keep the state from falling more than 2 percent below the caseload-adjusted AFDC/JTPA overlap rate for the country as a whole.

**Local Integration of JOBS and JTPA Services**

Within the group of people participating in both AFDC and JTPA, the greatest need for coordination between welfare and workforce development employment programs concerned a group known as “dual enrollees” in both JTPA and JOBS. In these instances, some form of conscious collaboration—or at least explicit (and presumably ongoing) communication—must have taken place between AFDC JOBS counselors and JTPA employment specialists just to avoid duplicative and/or conflicting services. Some form of true operational integration must have taken place between the two programs at the local level when serving these common clients.

Table 10 shows the proportion of JTPA clients coenrolled in both JOBS and JTPA in 1996. (Parallel information on the proportion of JOBS clients coenrolled in both programs was discussed in section 2.) Fifteen percent of JTPA participants participated in JOBS programs in the average focal state in 1996, as did 12 percent of JTPA participants nationwide. This indicates an important degree of local integration between the two programs when planning and delivering services to a set of common clients. It also suggests that JOBS policies and personnel had a substantial stake in—and may have exerted an important influence over—the larger employment and training system in their communities. Integration and influence of this kind has been thought for some time to be important to the success of local welfare-to-work efforts. Its extent two years prior to enactment of the Workforce Investment Act (WIA) carries special importance, given the WIA’s requirement for expanded coordination/integration among all federally funded employment and training programs.

Even though it holds promise for the WIA, the 12 percent of JTPA participants coenrolled in JOBS in 1996 represented well under half of JTPA’s total AFDC service population that year—a total service population claiming 32 percent of all JTPA service “slots” (see table 8). The corresponding comparison for the average focal state shows that 15 percentage points of a total of 32 percent of JTPA participants on AFDC coenrolled in JOBS and JTPA in 1996. From JTPA’s standpoint, then, serving the AFDC population in concert with JOBS meant interacting actively with—and integrating services with—JOBS counselors barely half the time in the 13 focal states and less often than that in the nation as a whole.

The remainder of JTPA’s assistance to the AFDC population involved AFDC clients not enrolled in the JOBS program—generally “self-referrals” who apply for and receive JTPA services without input from local AFDC staff. Table 10 shows that 17 percent of JTPA clients in the average focal state were on AFDC but not enrolled...
Making sure of where we started in JOBS in 1996 and that 20 percent fit this description for the nation as a whole. This constitutes more than half the AFDC recipients served by JTPA in 1996, a surprisingly high figure given the incentives faced by JOBS administrators. As noted in section 2, JOBS staff could sometimes access “free” services by referring dually eligible clients to JTPA for assistance. Conversely, AFDC staff had every reason to enroll into JOBS any of their welfare clients known to be participating in JTPA on their own in order to meet overall JOBS participation requirements mandated by federal law. In addition, AFDC recipients themselves faced strong incentives to report JTPA involvement to the welfare office when it occurred outside of JOBS, at least those required to participate in employment and training activities as a condition for continued benefit eligibility. Yet, more often than not, JTPA participation did not overlap with JOBS participation. Evidently, coenrollment in complementary employment and training programs, with the greater burden of program integration

<table>
<thead>
<tr>
<th>State</th>
<th>Number</th>
<th>Percentage in JOBS</th>
<th>Percentage on AFDC but Not in JOBS</th>
<th>Percentage of Those on AFDC Who Were Not in JOBS</th>
<th>Employment Service Registrants</th>
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<tr>
<td>Alabama</td>
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<td>11.3</td>
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<td>46.4</td>
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<td>13 Focal States</td>
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<td>56.2</td>
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<td>Entire U.S.</td>
<td>252,947</td>
<td>12.0</td>
<td>19.6</td>
<td>62.0</td>
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</table>

Table 10  Division of JTPA Participants on AFDC between JOBS and Non-JOBS, and Share of Employment Service Registrants Receiving Welfare, by State, 1996

b. JTPA Title IIA (for disadvantaged adults) and Title IIC (for out-of-school youths) participants who terminated their JTPA enrollment at some point during the year, excluding those who participated in JTPA’s “objective assessment” component only. Source: U.S. Department of Labor (FY 95) Standardized Program Information Report Public Use File.
d. Percentage on AFDC but not in JOBS divided by the sum of percentage in JOBS and percentage on AFDC but not in JOBS.
e. Includes AFDC, food stamps, and state general assistance.
f. Average of previous 13 rows. States are weighted equally to describe the typical focal state, not the typical JTPA terminee—or the typical Employment Service registrant—in the focal states as a group.
that implied—while not rare at the outset of federal welfare and workforce development reform—was not the norm either.

However, dual enrollment was more common in some states than others. Among the focal states, Massachusetts and New Jersey devoted the greatest shares of their JTPA programs to JOBS participants. Thirty-seven and 26 percent of JTPA clients in those two states, respectively, participated in JOBS in 1996—the great majority of all the welfare recipients in each state served by JTPA at the time. The Massachusetts figure, the highest of any focal state, was due in large part to the contracting arrangements in place between the state JOBS agency and several regional JTPA offices mentioned earlier. Similar considerations apply in New Jersey, although JTPA service contracts there were arranged locally by county welfare offices.

The intersection of the JTPA and JOBS programs was also above average compared with the nation in Colorado, Minnesota, New York, Washington, and Wisconsin. Fifteen to 20 percent of JTPA clients participated in JOBS in those states in 1996. In all instances, local JOBS programs used JTPA to provide employment-related services, though the types of services procured through JTPA varied from state to state. In perhaps the most common arrangement, local welfare offices in the state of Washington relied on JTPA for vocational education and training in many cases. In contrast, many of Colorado’s local welfare departments contracted out JOBS case management to JTPA. Very few JTPA “slots” went to JOBS participants in the four southern states examined or in California: 3 percent in Mississippi, 6 percent in Alabama and California, and 8 percent in Florida and Texas.

States also differed in the percentage of JTPA service “slots” devoted to AFDC recipients not dually enrolled in JOBS. Within the set of focal states, “JTPA-only” cases ranged from 4 to 27 percent of all JTPA participants. As one looks across states, the relationship of JTPA-only enrollees to dual enrollees holds particular interest, revealing the mix of coordination approaches used by each state in 1996. The fourth column of table 10 clarifies this relationship by showing the percentage of JTPA participants on AFDC who did not participate in JOBS—i.e., the percentage of JTPA’s AFDC clientele not dually enrolled in JTPA and JOBS. This measure indicates that, in some states, JOBS and JTPA collaborated to serve the AFDC population largely by enrolling two separate sets of individuals—as was the case, for example, in California. In that state, the table shows that 83 percent of the AFDC adults in JTPA were not dual enrollees.61

In total, there were five focal states—California, plus all four southern states, Alabama, Florida, Mississippi, and Texas—where two-thirds or more of the AFDC recipients served by JTPA were not enrolled in JOBS. Not surprisingly, these are the same five states just mentioned as having few dual enrollees relative to the size of their overall JTPA programs. In California, this result was due in part to a state requirement that local JTPA administrators fill a specified share of their slots with welfare recipients, a mandate that presumably led to more extensive recruiting of or heavier intake preferences for AFDC recipients independent of JOBS.

A smaller number of states relied heavily on dual enrollment and integrated service delivery to coordinate their JOBS and JTPA programs. In Massachusetts and New Jersey, almost all the AFDC recipients served by JTPA were coenrolled in JOBS—all but 9 percent of the JTPA participants on AFDC in Massachusetts and all...
but 21 percent in New Jersey. This accords with the earlier finding that these same states devoted a lot more of their overall JTPA programs to dual JTPA/JOBS enrollees than was true for the nation as a whole.

JTPA programs in six focal states devoted roughly equal shares of their AFDC service “slots” to dually enrolled JOBS participants and JTPA-only cases: Colorado, Michigan, Minnesota, New York, Washington, and Wisconsin. In the first four of these states, the majority (56 to 59 percent) of JTPA’s welfare clientele did not participate in JOBS, though more than a third did, requiring true service integration. The reverse was true in Washington and Wisconsin, where the majority of JTPA’s AFDC clients were dually enrolled and integrated while a strong majority (46 to 49 percent) participated in JTPA alone. In three of the six states—Minnesota, Washington, and Wisconsin—the share of JTPA’s AFDC clients not enrolled in JOBS was noticeably smaller than the national average of 62 percent.

There appears to have been an uneven but potentially important connection between the willingness of a focal state to coordinate major employment programs by serving AFDC recipients through both JOBS and JTPA and the degree to which the state concentrated its total coordination effort on true service integration through dual enrollment in the two programs. Recall that the overall state and local effort at program coordination is measured by the extent to which a state’s JTPA “slots” were occupied by AFDC recipients above and beyond the share expected to go to AFDC recipients based simply on the size of the state’s AFDC caseload. This indicator appeared in the final column of table 9 above. Comparing that table to what has just been learned about service integration, it appears that focal states making larger coordination efforts in 1996 also tended to concentrate a greater share of their total effort on true service integration through dual enrollment. Specifically, of the seven high-coordination states indicated in table 9 (the states whose actual share of JTPA participants on AFDC exceeded predictions by 30 percent or more), four—Massachusetts, Minnesota, New Jersey, and Wisconsin—enrolled a noticeably larger share of JTPA’s AFDC clients in JOBS than was true for the nation as a whole. In contrast, only two high-coordination states—Alabama and Florida—fell short of the national norm. The remaining high-coordination state—Colorado—essentially matched the national average.

Similarly, of the four states with substantially less coordination between JOBS and JTPA than expected, two—California and Mississippi—enrolled a smaller portion of JTPA’s AFDC recipients in JOBS than was true for the nation as a whole. Two other low-coordination states—Michigan and New York—were about average in the share of JTPA participants on AFDC who were also enrolled in JOBS, and none fell below average.

Local Coordination between Welfare Programs and the Employment Service

Much less local coordination occurred between AFDC and state Employment Service (ES) agencies in 1996 than between AFDC and JTPA. This is not surprising since historically ES, in combination with the Unemployment Insurance system, has served experienced workers temporarily out of work following layoffs, a popula-
tion in which few individuals apply for or receive welfare benefits. Only 3 percent of all applicants for ES services in the 13 focal states—and 4 percent in the nation—received welfare in 1996 (table 10). (Here, welfare includes food stamps and state general assistance in addition to AFDC.) This level ranged from 9 percent in Mississippi to less than one-half of a percent in Alabama, Colorado, Florida, Massachusetts, and Texas. Oddly, the Florida JOBS program—the only one of the 13 JOBS programs with a formal service-provision contract with ES in place at the state level in 1996—had none of its clients reported as ES applicants, a finding that suggests Florida used different ES reporting conventions than other focal states.

Other small numbers in the table conceal some important indicators from the case study site visits. For example, ES played an important role in the many California counties where local welfare departments engaged ES to provide job search and job placement services. Also, in Washington, the state welfare department had made an agreement with local ES offices to provide selected employment services to JOBS clients. In both of these states, plus Mississippi and New Jersey, relatively high local interaction with ES as measured in table 10 occurred in states with no formal interaction or pending structural integration of JOBS and JTPA at the state level. Interaction also was relatively high in Michigan, the only focal state to have fully integrated JOBS, JTPA, and ES within a single state department by 1996. In contrast, the six focal states just beginning state-level structural integration of JOBS and JTPA, or with formal state contracts in place by mid-1996, served almost no welfare recipients through ES. This suggests that—at least up to the point of full program integration at the state level—local AFDC staff turned more to ES as a service provider when their JOBS and JTPA programs had no formal connection at the state level than when formal state-level coordination was in place or in process.

Indications are that, since 1996, reliance of welfare-to-work programs on the ES system has been growing as states move more toward the “one-stop shopping” model of employment and training service delivery (i.e., a model in which all workers are served at a single location, often called a “one-stop career center”), with ES often serving as the hub. Of the 13 focal states, only Michigan operated comprehensive one-stop career centers throughout the state in mid-1996 (as part of the consolidation that combined JOBS, JTPA, and ES within a single state agency, the Michigan Jobs Commission), though Wisconsin was close to that point. The Workforce Investment Act of 1998 makes this change mandatory for all states by 2000, a factor to watch as the story unfolds.

6. Funding Levels for Employment and Training Programs for Welfare Recipients

In addition to the emphasis of a state’s employment and training program and the array of services it offers, the degree of financial investment in employment services for welfare recipients provides a further look at how these systems varied across states. PRWORA significantly altered how state and federal dollars are spent on employment and training programs for welfare recipients, replacing the AFDC, JOBS, and Emergency Assistance (EA) programs with a single TANF block grant.
Rather than matching state dollars at a prespecified rate, the federal role in the new block grant system is to provide states with a fixed amount of money each year, as long as each state meets the 75 or 80 percent “maintenance of effort” (MOE) requirement in the law. Each state can apportion its block grant monies (including its MOE) to cash assistance and employment-related services in whatever ratio it prefers. Thus, block grants give states the flexibility to decide (1) how much of their own money, beyond the MOE, to spend on family assistance programs generally and (2) which programs—cash assistance, job training, child care, or others—to emphasize the most.

To understand state responses to the new rules, one must first be clear about state and federal spending levels for welfare employment and training services just prior to PRWORA (i.e., the period from roughly mid-1995 to mid-1996). This section provides baseline information of this sort for the 13 focal states.

JOBS Spending by State

As noted earlier, the primary mechanism states used in 1996 to provide welfare-related employment and training services was the JOBS program. Both the state and federal governments played an important role in funding this program. JOBS, similar to Medicaid and the old AFDC program, was a federal matching program, which meant the amount of federal funding was contingent on state spending levels. The federal “matching rate”—the share of total costs financed by the federal government—depended on (1) a state’s per capita income, with poor states receiving more federal assistance per state dollar spent than wealthy states, and (2) its success in meeting JOBS participation and targeting goals. Within this structure, federal JOBS expenditures for employment and training services were capped at a level determined by congressional decisions on the overall JOBS budget and the number of adult AFDC recipients in a particular state. Any spending on JOBS services beyond the cap and the state funds required to fully use it came entirely from state funds.

In fiscal 1996, federal and state JOBS spending on employment and training services totaled $1.5 billion, with the federal government paying nearly half the total (table 11). Collectively, the 13 focal states provided nearly $800 million worth of JOBS services, with the average focal state receiving 53 percent of its funding from the federal government. In Mississippi and Colorado, an appreciably larger share of JOBS spending came from the federal government (67 and 64 percent, respectively), while California, Michigan, and New York drew less than 45 percent of their JOBS funding from federal sources. All other focal states were in the 50 to 60 percent range.

There are a number of reasons for these differences—and for the particularly low share of JOBS spending provided by the federal government in California (20 percent):

- Mississippi, because of its low resource base, qualified for the maximum federal matching rate of 78 percent for the largest JOBS cost category (full-time staff and other nonadministrative costs). Also, of the three states that received more than the minimum 60 percent match for this category, Mississippi spent less “state-only” money—state funds not qualifying for a federal match once federal
<table>
<thead>
<tr>
<th>State</th>
<th>Total ($ millions)b</th>
<th>State-Funded ($ millions)c</th>
<th>Federally Funded ($ millions)</th>
<th>Federal as Percentage of Total (%)</th>
<th>Added Spending from State-Only Funds (%)d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>12.2</td>
<td>4.9</td>
<td>7.3</td>
<td>60.0</td>
<td>13.7</td>
</tr>
<tr>
<td>California</td>
<td>219.3</td>
<td>176.0</td>
<td>43.3</td>
<td>19.7</td>
<td>153.4</td>
</tr>
<tr>
<td>Colorado</td>
<td>14.5</td>
<td>5.2</td>
<td>9.3</td>
<td>64.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Florida</td>
<td>26.9</td>
<td>12.8</td>
<td>14.0</td>
<td>52.2</td>
<td>13.8</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>38.0</td>
<td>15.2</td>
<td>22.8</td>
<td>60.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Michigan</td>
<td>110.7</td>
<td>62.3</td>
<td>48.4</td>
<td>43.7</td>
<td>39.7</td>
</tr>
<tr>
<td>Minnesota</td>
<td>22.5</td>
<td>9.9</td>
<td>12.5</td>
<td>55.8</td>
<td>14.4</td>
</tr>
<tr>
<td>Mississippi</td>
<td>11.5</td>
<td>3.9</td>
<td>7.7</td>
<td>66.6</td>
<td>2.5</td>
</tr>
<tr>
<td>New Jersey</td>
<td>53.5</td>
<td>21.1</td>
<td>32.4</td>
<td>60.5</td>
<td>0.0</td>
</tr>
<tr>
<td>New York</td>
<td>160.4</td>
<td>96.2</td>
<td>64.2</td>
<td>40.0</td>
<td>45.5</td>
</tr>
<tr>
<td>Texas</td>
<td>58.2</td>
<td>25.8</td>
<td>32.4</td>
<td>55.7</td>
<td>8.0</td>
</tr>
<tr>
<td>Washington</td>
<td>33.1</td>
<td>13.2</td>
<td>20.0</td>
<td>60.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>33.2</td>
<td>16.1</td>
<td>17.1</td>
<td>51.6</td>
<td>28.3</td>
</tr>
<tr>
<td>13 Focal States</td>
<td>794.1</td>
<td>462.7</td>
<td>331.5</td>
<td>53.1</td>
<td>24.9</td>
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<td>1,509.1</td>
<td>791.6</td>
<td>717.6</td>
<td>47.5</td>
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</tr>
</tbody>
</table>


c. Total expenditures (outlays) from Form ACF-332 are divided into state and federal portions using information from Form ACF-331. Form ACF-331 shows the maximum federal allocation to each state’s JOBS program in each of the JOBS expenditure categories for which federal funding was available. Three different categories were used, in which federal funds paid for 50, 60 to 78 (varied by state), and 90 percent of JOBS expenditures up to a capped federal total. (See U.S. House of Representatives 1998, pages 475–76, for details.) Calculations assume (a) total state-plus-federal spending on JOBS in FY 96, from Form ACF-332, was distributed across the matching-rate categories in proportion to the distribution of allocated funds for FY 96 from Form ACF-331; (b) any federal funds carried over from prior fiscal years and used in FY 96 were offset by unused federal allocations from FY 96 carried forward into later years (JOBS rules gave states three years to spend a given year’s federal allocation); and (c) states reported all state-plus-federal expenditures on JOBS on Form ACF-332, even state expenditures in excess of the amount needed to claim the maximum federal JOBS allocation in a given category. The first assumption allows us to infer state-plus-federal outlays in each matching-rate category; the second allows us to place an appropriate cap on total federal outlays in FY 96 in states where total state-plus-federal outlays exceed the state-plus-federal allocation for the year; and the third assumption rules out undercounting of state spending. Federal expenditures in a category equal (a) inferred state-plus-federal expenditures in the category times the category’s matching rate or (b) the FY 96 federal allocation “cap” for the category (from Form ACF-331), whichever is less. Total federal expenditures sum these amounts across categories. State spending equals total state-plus-federal spending from Form ACF-332 minus calculated total federal expenditures.

d. Expressed as a percentage of the total state-plus-federal spending that fits within the FY 96 federal allocation “cap.”

e. Percentages are averages of previous 13 rows. States are weighted equally to describe the typical focal state, not the typical dollars spent in the focal states as a group.
allocations were used up—than the other two, Alabama and Texas.73 Mississippi’s state-only spending added just 3 percent to its total JOBS spending (see final column of the table), compared with 14 and 8 percent in Alabama and Texas and 25 percent in the average focal state.

- Colorado reported no state-only spending at all.74
- Michigan, New York, and California added by far the largest increments to JOBS funding using state-only money: 40, 46, and 153 percent, respectively. No other focal state added more than 28 percent.
- California failed to meet federal requirements for JOBS participation and targeting in 1995, reducing the federal matching rate in 1996 to 50 percent for all categories of spending, including categories matched at 90 or 60 percent in other states.

Though they relied far less on federal funds as a share of their total JOBS expenditures, New York and Michigan still ranked first and second in the nation in federal JOBS dollars received in FY 96. California ranked fourth despite the losses it suffered for falling short of its JOBS goals.75 It also made a much greater commitment of its own funds to JOBS than any other focal state.

<table>
<thead>
<tr>
<th>State</th>
<th>Number of JOBS Participants</th>
<th>Expenditures per JOBS Participant in Dollars</th>
<th>Rank among Focal States (1 = highest)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>6,735</td>
<td>1,808</td>
<td>9</td>
</tr>
<tr>
<td>California</td>
<td>113,204</td>
<td>1,938</td>
<td>6</td>
</tr>
<tr>
<td>Colorado</td>
<td>7,098</td>
<td>2,043</td>
<td>5</td>
</tr>
<tr>
<td>Florida</td>
<td>43,704</td>
<td>615</td>
<td>13</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>23,829</td>
<td>1,596</td>
<td>10</td>
</tr>
<tr>
<td>Michigan</td>
<td>46,255</td>
<td>2,394</td>
<td>3</td>
</tr>
<tr>
<td>Minnesota</td>
<td>7,869</td>
<td>2,855</td>
<td>1</td>
</tr>
<tr>
<td>Mississippi</td>
<td>6,304</td>
<td>1,831</td>
<td>8</td>
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<tr>
<td>New Jersey</td>
<td>22,256</td>
<td>2,405</td>
<td>2</td>
</tr>
<tr>
<td>New York</td>
<td>68,843</td>
<td>2,330</td>
<td>4</td>
</tr>
<tr>
<td>Texas</td>
<td>30,710</td>
<td>1,895</td>
<td>7</td>
</tr>
<tr>
<td>Washington</td>
<td>41,036</td>
<td>808</td>
<td>12</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>22,669</td>
<td>1,463</td>
<td>11</td>
</tr>
<tr>
<td>13 Focal States</td>
<td>440,512</td>
<td>1,845</td>
<td>—</td>
</tr>
<tr>
<td>Entire U.S.</td>
<td>828,526</td>
<td>1,821</td>
<td>—</td>
</tr>
</tbody>
</table>

d. Per-JOBS-participant figure is average of previous 13 rows. States are weighted equally to describe the typical focal state, not the typical JOBS participant in the focal states as a group.
JOBS Spending per Participant

Given differences in state size and other factors, it is difficult to interpret differences in JOBS spending among states. However, there are a number of ways to compare spending figures more meaningfully. Table 12 shows total state-plus-federal spending on JOBS per JOBS participant. The 13 focal states spent an average of $1,845 on JOBS services for each participant in state fiscal year (SFY) 1996.76 The comparable figure for the nation was $1,821. Among the focal states, spending ranged from a low of $615 per participant in Florida to a high of $2,855 per participant in Minnesota.

All other things being equal, states with smaller shares of their AFDC adults participating in JOBS had the most resources to spend on individual JOBS participants. This is because JOBS allocations were set, in part, based on the size of a state’s AFDC caseload, whether the number of JOBS participants reflected the higher caseload or not. For the same reason, states with high JOBS participation rates tended to have fewer resources to serve each participant. These patterns are borne out in several focal states. For example, in Washington and Wisconsin—the two focal states with the largest share of their AFDC caseloads participating in JOBS in 1996 (see section 2)—JOBS spending per participant was relatively low. Similarly, spending per participant was relatively high in two states with unusually low JOBS participation rates—Minnesota and New York. One should note, however, that an equal number of states had unusually low or high JOBS spending per participant yet departed little from the norm on their JOBS participation rates (Florida and Massachusetts at the low end, Michigan and New Jersey at the high end). California and Texas, on the other hand, spent little more than the national average on their JOBS participants despite unusually low JOBS participation rates.

A second reason states’ JOBS expenditures per participant might vary is the difference in service emphasis among the focal states. For example, states emphasizing more intensive human capital approaches to work could be expected to spend more per person in a year than states using relatively low-cost workforce attachment strategies, assuming services are financed primarily from JOBS budgets.

Comparing table 12 with findings in sections 3 and 4, a few states do conform to this prediction: Minnesota, New Jersey, and New York spent a large amount of money per participant with their mostly human capital development JOBS programs compared with the national average, while Wisconsin held costs down in its strongly work-focused program. However, other focal states followed the opposite pattern: Florida, Massachusetts, and Washington spent relatively little per participant even though they ran mostly human capital-oriented JOBS programs, and Michigan spent more per participant than most states despite its above-average focus on rapid labor market entry. Reliance on education and training funds from outside the JOBS funding stream probably accounted for some of the former cases. Massachusetts and Washington, for example, are thought to have placed heavy reliance on community colleges and Pell grants to fund the academic and skill training of JOBS participants.77
JOBS Spending Relative to Need

Analyzing spending relative to the number of JOBS participants provides information about the employment-related resources available to assist the typical participant. However, it does not answer three other questions of importance: how JOBS spending relates to (1) the total number of people on a given state’s AFDC rolls who could have benefited from employment and training services in 1996, (2) a state’s fiscal capacity, and (3) a state’s overall funding priorities. These questions will be addressed here by studying spending relative to a state’s total AFDC caseload size, personal income, and general-fund budget.

There is no direct measure of the “need” for employment and training services among welfare recipients. In principle, “need” should follow from the number of AFDC recipients in a state, counting only those whom society expects to work and whose background and current circumstances make employment unlikely without some form of assistance. The actual number of JOBS participants, discussed above, does not capture this concept well, since it is influenced by many factors besides the number who might benefit, including federal participation requirements and funding levels, the aggressiveness of state welfare-to-work efforts, and the service capacity of local JOBS offices. It also leaves out needs being met by other employment and training service providers, such as JTPA, the Employment Service, and community colleges. To focus on ability to benefit, a broader, population-based indicator is needed, such as the number of people in poverty, the number of adults with no recent work experience, or the number of high school dropouts. Unfortunately, these measures capture needs that go beyond the population of interest here by including those of adults not on AFDC.

Given these constraints, it may be that the number of AFDC adult recipients in a state provides the best available approximation of a state’s welfare-to-work service needs. In relating needs to JOBS program expenditures in particular, an AFDC caseload count at least includes all the individuals who might require JOBS services during the course of a year. Such a measure avoids artificial undercounts caused by the programmatic features of JOBS mentioned above and the omission of non-JOBS providers, while confining itself strictly to the population of interest.

Table 13 relates this indicator—the number of AFDC adult recipients in a state during federal fiscal year 1996—to JOBS expenditures in order to gauge how far the JOBS program went toward meeting measured needs. The operational measure used is state-plus-federal JOBS spending per AFDC adult. The 13 focal states spent an average of $326 of state and federal JOBS money per AFDC adult recipient in 1996, somewhat higher than the national average of $292. Across states, spending varied from a high of $539 in Wisconsin to a low of $125 in Florida.

The 13 states fell into four major clusters when analyzed by JOBS spending relative to their AFDC caseloads:

- Wisconsin, Michigan, and New Jersey spent the most among the 13 states ($539, $492, and $442, respectively).
- Colorado, Alabama, Massachusetts, and Minnesota ($362, $361, $348, and $314) exceeded the 13-state and/or national average, but only slightly.
New York, Mississippi and Washington ($297, $269, and $263) fell below one or both averages.

Texas, California, and Florida ($224, $206, and $125) spent by far the least on JOBS per AFDC recipient.

It is important to note that some of the states with below-average spending on JOBS services relative to (approximate) need (i.e., per AFDC recipient) had higher-than-average spending on JOBS per JOBS participant. This list includes California, New York, and Texas, all of which had below-average JOBS participation rates (see section 2), allowing them to concentrate their more limited resources per AFDC recipient on the relatively small number of recipients actually participating in the JOBS program. Even to go this far meant—for New York and, especially, California—investing a large amount of state-only money in JOBS. Recall also that Minnesota—seen here with only average spending per AFDC recipient—led all focal states in spending per JOBS participant as a result of its unusually low JOBS participation rate.

In contrast, Massachusetts and Wisconsin spent more than average on JOBS per AFDC recipient after falling short of the 13-state and national norm on spending per JOBS participant due to their above-average JOBS participation rates. Washington, the other focal state with a high JOBS participation rate, reached 90 percent of the national spending average per AFDC recipient ($263 versus $292) but—by serving

### Table 13  Total JOBS Expenditures per AFDC Adult Recipient, by State, 1996

<table>
<thead>
<tr>
<th>State</th>
<th>Expenditures per AFDC Adult Recipient</th>
<th>Rank among Focal States (1 = highest)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In Dollars b</td>
<td></td>
</tr>
<tr>
<td>Alabama</td>
<td>361</td>
<td>5</td>
</tr>
<tr>
<td>California</td>
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</tr>
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<td>Colorado</td>
<td>362</td>
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<tr>
<td>Florida</td>
<td>125</td>
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</tr>
<tr>
<td>Massachusetts</td>
<td>348</td>
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</tr>
<tr>
<td>Michigan</td>
<td>492</td>
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</tr>
<tr>
<td>Minnesota</td>
<td>314</td>
<td>7</td>
</tr>
<tr>
<td>Mississippi</td>
<td>269</td>
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<td>New Jersey</td>
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<tr>
<td>New York</td>
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<td>Texas</td>
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<td>Washington</td>
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<td>Wisconsin</td>
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<td>13 Focal States c</td>
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</tr>
<tr>
<td>Entire U.S.</td>
<td>292</td>
<td>—</td>
</tr>
</tbody>
</table>


a. Based on state-plus-federal JOBS outlays.
b. Average of previous 13 rows. States are weighted equally to describe the typical focal state, not the typical AFDC adult in the focal states as a group.


b. Based on state-plus-federal JOBS outlays.

c. Average of previous 13 rows. States are weighted equally to describe the typical focal state, not the typical AFDC adult in the focal states as a group.
so much of its caseload—spent but 44 percent of the national average per JOBS participant ($808 of $1,821; see table 12). It is likely that these variations reflect conscious decisions on the part of individual states balancing priorities concerning (1) the share of the caseload served, (2) the average intensity and duration of services, and (3) willingness to commit state-only money to the program while maintaining an awareness of non-JOBS programs in the community that may fund similar services for AFDC recipients.

**JOBS Spending Relative to State Resources**

Though the federal government pays nearly 50 percent of the cost of JOBS services nationwide, total spending on JOBS employment and training services in a state also depends on the state’s own financial contribution and, therefore, on its capacity to raise resources. The role of federal matching funds—available only in response to state expenditures—heightens this dependence. Total personal income in a state, an important component of a state’s “fiscal capacity,” is commonly used to measure a state’s potential ability to pay. Aggregate personal income varies considerably across the states due to differences in state size and per capita personal income. Taking into account this component of a state’s fiscal capacity gives a sense of the effort and commitment the state is willing to invest in a given program, in this case a program of employment and training services for welfare recipients. The usual procedure is to

![Table 14](image_url)

**Table 14**  _Total JOBS Expenditures per $10,000 of Personal Income, by State, 1996_  

<table>
<thead>
<tr>
<th>State</th>
<th>Expenditures per $10,000 of Personal Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>1.43</td>
</tr>
<tr>
<td>California</td>
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<td>Colorado</td>
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<td>Mississippi</td>
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</tr>
<tr>
<td>Washington</td>
<td>2.41</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>2.79</td>
</tr>
<tr>
<td>13 Focal Statesc</td>
<td>2.26</td>
</tr>
<tr>
<td>Entire U.S.</td>
<td>2.36</td>
</tr>
</tbody>
</table>


b. Based on state-plus-federal JOBS outlays.

c. Average of previous 13 rows. States are weighted equally to describe the typical focal state, not the typical $10,000 of personal income in the focal states as a group.
divide program spending, both state and federal, by the total personal income of the state. Table 14 provides the result of these calculations.

When compared with available state resources, JOBS expenditures vary considerably across the 13 focal states. It is important to bear in mind that resources other than JOBS budgets were used to help welfare recipients find and retain employment in 1996, including the commitment of state and federal funds to the community college system and the Employment Service. Thus, the figures shown in table 14 understated to some degree the fiscal priority placed on welfare-to-work services relative to overall state resources. They are best used to compare priorities across states under the not-unreasonable assumption that JOBS received about the same share of total state-plus-federal resources for welfare-to-work services in all states.

For the typical focal state, state and federal spending on JOBS in 1996 averaged $2.26 per $10,000 of personal income, slightly below the national average of $2.36. Among the focal states, Michigan spent the most federal and state funds on JOBS relative to its income capacity ($4.74 per $10,000) and Florida the least ($0.78 per $10,000). More generally, the focal states fall into three groups with regard to fiscal commitments to JOBS relative to each state's overall resource base:

- California, Michigan, New York, and Wisconsin spent appreciably more of each $10,000 in personal income—$2.75 to $4.74—than the 13-state and national averages.
- Massachusetts, Minnesota, Mississippi, New Jersey, and Washington spent close to the averages, $1.91 to $2.45 per $10,000 in income.
- Alabama, Colorado, Florida, and Texas spent far below average, $0.78 to $1.48 per $10,000 in income.

A comparison of tables 13 and 14 shows that state rankings change dramatically when JOBS spending is compared with a measure of each state’s fiscal capacity rather than its approximate “need” for employment and training assistance as measured by its AFDC caseload. These shifts illustrate the importance of taking different spending measures into account when seeking to understand JOBS funding. For example, California made a strong commitment to JOBS relative to its resource base, ranking fourth in spending among the 13 states at $2.75 per $10,000 of state personal income. Yet, it ranked very low on spending relative to need (12th at $206 per AFDC recipient; see table 13), due in large part to its large AFDC caseload. In contrast, Alabama exerted one of the lowest expenditure efforts among the focal states (11th at $1.43 per $10,000 in state personal income) yet achieved an above-average spending level relative to need (5th at $361), due in part to its small AFDC caseload. Finally, some states—Michigan and Wisconsin—ranked high on both expenditure effort and spending relative to need, while others—Florida and Texas—were below average on both measures.

JOBS Spending as a State Budget Priority

A further measure of fiscal effort compares a state’s own JOBS expenditures (excluding federal matching funds) with the state’s general-fund budget for the year. The percentage of general-fund revenues spent on JOBS in 1996 indicates the pri-
MAKING SURE OF WHERE WE STARTED

It is difficult to judge from the fractional amounts in Table 15 whether a particular state considered welfare employment and training spending through JOBS an important budget priority in 1996. It is clear, however, that some states made it

Table 15  State-Funded JOBS Expenditures as Percentage of State General Fund, by State, 1996

<table>
<thead>
<tr>
<th>State</th>
<th>As Percentage of General Fund</th>
<th>Rank among Focal States (1 = highest)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>0.11</td>
<td>9/10/11</td>
</tr>
<tr>
<td>California</td>
<td>0.39</td>
<td>2</td>
</tr>
<tr>
<td>Colorado</td>
<td>0.12</td>
<td>8</td>
</tr>
<tr>
<td>Florida</td>
<td>0.09</td>
<td>13</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>0.11</td>
<td>9/10/11</td>
</tr>
<tr>
<td>Michigan</td>
<td>0.75</td>
<td>1</td>
</tr>
<tr>
<td>Minnesota</td>
<td>0.11</td>
<td>9/10/11</td>
</tr>
<tr>
<td>Mississippi</td>
<td>0.15</td>
<td>5/6</td>
</tr>
<tr>
<td>New Jersey</td>
<td>0.13</td>
<td>7</td>
</tr>
<tr>
<td>New York</td>
<td>0.31</td>
<td>3</td>
</tr>
<tr>
<td>Texas</td>
<td>0.10</td>
<td>12</td>
</tr>
<tr>
<td>Washington</td>
<td>0.15</td>
<td>5/6</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>0.20</td>
<td>4</td>
</tr>
<tr>
<td>13 Focal States</td>
<td>0.21</td>
<td>—</td>
</tr>
<tr>
<td>Entire U.S.</td>
<td>0.22</td>
<td>—</td>
</tr>
</tbody>
</table>


b. Based on state JOBS outlays.
c. Average of previous 13 rows. States are weighted equally to describe the typical focal state, not the typical general-fund dollars in the focal states as a group.

Like the previous measure of spending effort, it understates true priorities to some degree by omitting other funding sources such as JTPA and the community college system. Table 15 shows this abbreviated but helpful measure for each of the 13 focal states and the nation.

With many competing needs, it is not surprising that states spent very little of their general-fund revenues on the JOBS program in 1996: only 0.2 percent on average among the focal states and in the nation, or $1 of every $500 of state money spent. Michigan invested its own funds at more than three times this rate (0.8 percent), with California (0.4 percent) and New York (0.3 percent) the only other states exceeding the 13-state average. The majority of focal states spent roughly half as much of their general funds on JOBS as did states nationally, investing around 0.1 percent of general-fund revenues, or roughly $1 in every $1,000. In general, the list of high- and low-spending states here looks much like that in Table 14, indicating that—among the 13 focal states—a state's rank in terms of the budget priority attached to JOBS closely paralleled its position regarding the fiscal effort devoted to JOBS.

It is difficult to judge from the fractional amounts in Table 15 whether a particular state considered welfare employment and training spending through JOBS an important budget priority in 1996. It is clear, however, that some states made it
more of a priority than others—particularly Michigan, where $1 in every $1.25 in general revenues went to support JOBS. The need for JOBS services must also be considered when measuring a state’s spending commitment. For example, Colorado spent less on its JOBS program (0.1 percent of general funds) than the average focal state but, as seen earlier in this section, ranked above average on spending relative to approximate need (i.e., per AFDC recipient). Alabama and New Jersey followed this same pattern. New York and especially California reversed the equation, spending more than the usual share of their state general funds on JOBS while spending less per AFDC participant. Again, differences in caseload size account for an important share of this variation.

One other clear lesson emerges from these figures: with the possible exception of Michigan, JOBS did not constitute a large “drain” on state budgets. In all other focal states, a 50 percent increase in JOBS spending could have been financed by cutting at most 0.2 percent out of the budget in other places—i.e., by transferring no more than $1 in every $500 from other uses. An earlier Assessing the New Federalism study (Flores, Douglas, and Ellwood 1998) found that, in 1995, states spent only 8.3 percent of their general-fund budgets on all programs for low-income children and their families, including JOBS. Over 50 percent of spending on this population was allocated to cash assistance and health care, dwarfing the 2 to 3 percent spent by JOBS on employment and training services.

Expenditures on JOBS and JTPA Combined

As explained earlier, states can use the federally funded JTPA program as an additional employment and training resource for welfare recipients. According to section 2, 2 percent of AFDC recipients participated in JTPA in the 13 focal states in 1996 and 1.5 percent nationwide. Thus, it is important to study JTPA spending as a complement to JOBS expenditures. This is particularly true given that JTPA dollars expanded employment and training spending on welfare recipients by 21 percent over JOBS levels in 1996, from $1.5 billion nationally to $1.8 billion. This jump was much sharper than JTPA’s expansion of the number of employment and training participants among welfare recipients by 6 percent, discussed in section 2.

Nationally, JTPA spending on welfare recipients between July 1995 and June 1996 averaged $3,979 per AFDC recipient participating in JTPA (not shown), far more than what JOBS spent per participant at the time ($1,821; see table 12). This difference may reflect the practice of JTPA programs serving clients almost exclusively with their own funds, rather than referring dually eligible clients to other service providers and funders as did JOBS. In the mid-1990s, JTPA also relied much more heavily than JOBS on relatively high-cost on-the-job-training services. The addition of JTPA funds increased total JOBS-plus-JTPA spending to $2,082 per AFDC recipient participating in either JOBS or JTPA, as shown in table 16. (A similar pattern occurred for the average focal state.) The additional JTPA dollars, while substantial at the individual level, did not apply to enough people to change appreciably the ranking of the 13 states in terms of total dollars spent per employment and training program participant. Minnesota still ranked first in spending per AFDC client participating in JOBS or JTPA, and Florida ranked last.
Table 16  Total JOBS Plus JTPA Expenditures per JOBS/JTPA Participant, by State, 1996

<table>
<thead>
<tr>
<th>State</th>
<th>Expenditures per JOBS/JTPA Participant() in Dollars</th>
<th>Rank among Focal States (1 = highest)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>2,090</td>
<td>8</td>
</tr>
<tr>
<td>California</td>
<td>2,263</td>
<td>6</td>
</tr>
<tr>
<td>Colorado</td>
<td>2,251</td>
<td>7</td>
</tr>
<tr>
<td>Florida</td>
<td>928</td>
<td>13</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>1,936</td>
<td>9</td>
</tr>
<tr>
<td>Michigan</td>
<td>2,552</td>
<td>4</td>
</tr>
<tr>
<td>Minnesota</td>
<td>2,970</td>
<td>1</td>
</tr>
<tr>
<td>Mississippi</td>
<td>1,915</td>
<td>10</td>
</tr>
<tr>
<td>New Jersey</td>
<td>2,798</td>
<td>2</td>
</tr>
<tr>
<td>New York</td>
<td>2,620</td>
<td>3</td>
</tr>
<tr>
<td>Texas</td>
<td>2,313</td>
<td>5</td>
</tr>
<tr>
<td>Washington</td>
<td>975</td>
<td>12</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>1,594</td>
<td>11</td>
</tr>
<tr>
<td>13 Focal States</td>
<td>2,093</td>
<td>—</td>
</tr>
<tr>
<td>Entire U.S.</td>
<td>2,082</td>
<td>—</td>
</tr>
</tbody>
</table>


b. Number of JOBS/ JTPA participants used in calculation of per-participant expenditures is based on (a) number of JOBS participants in an average month multiplied by 1.3 to reflect turnover of JOBS participants over a year and (b) number of JTPA Title IIA and Title IIC participants on AFDC who terminated their JTPA enrollment at some point during the year (excluding those who participated in JTPA’s “objective assessment” component only). Final number eliminates double-counting of individuals who fall into both groups. Sources: U.S. Department of Health and Human Services, Memo No. TANF-ACF-IM-98-4, February 18, 1998; Giannarelli 1992; U.S. Department of Labor (PY 95) Standardized Program Information Report Public Use File.

c. Based on state-plus-federal JOBS outlays and federal allocations for JTPA Titles IIA and IIC. For each of Titles IIA and IIC, calculations assume that average JTPA spending on AFDC recipients equals average spending on all JTPA participants (including non-AFDC recipients). Sources of expenditure data: U.S. Department of Health and Human Services, Memo No. TANF-ACF-IM-98-3, “Final Tables Based on Form ACF-332 (Quarterly Report of JOBS IV-F Expenditures),” February 18, 1998; Budget Information for States, Office of Management and Budget (http://www.whitehouse.gov/wh/eop/omb.)
d. Average of previous 13 rows. States are weighted equally to describe the typical focal state, not the typical JOBS/ JTPA participant in the focal states as a group.

Summary of Spending Results by State

On the eve of national welfare reform, certain focal states made consistently high investments in employment and training services for welfare recipients. The clearest case is Michigan, which ranked among the top four focal states in all the fiscal categories examined, including:

- Resource intensity of the intervention, as measured by JOBS and JOBS-plus-JTPA expenditures per participant in those programs;
- Responsiveness to the need for work assistance, as measured by JOBS expenditures per AFDC adult recipient; and
Effort and priority attached to providing work assistance to welfare recipients, as measured by JOBS expenditures in relation to a state’s total personal income and a state’s general-fund budget.

Several other states also made above-average financial commitments to employment and training services for welfare recipients. First among them—though not as high as Michigan—was New York, which stood among the top four focal states on all fiscal measures except spending per AFDC adult recipient. New York was below average on that indicator because of its large AFDC caseload and relatively low employment program participation rate within the caseload (13 percent, compared with a national average of 17 percent). California followed this same pattern for the same reasons, though at a somewhat lower (though still slightly above average) spending level.

Wisconsin also ranked in the top four focal states on most indicators—all except dollars per JOBS and/or JTPA participant, where it fell near the bottom of the focal state distribution. Even so, the state’s fiscal effort, budget priority, and responsiveness to need for work assistance were quite high compared with other states. Because an unusually high share of AFDC adults participated in JOBS or JTPA in 1996 (37 percent, compared with 17 percent for the nation), Wisconsin’s overall investment did not translate into high—or even average—spending per participant.

In contrast to the above states, New Jersey—another above-average-spending state—did not put a particularly large share of its personal income or budget allocation into welfare-related work assistance. (It was a bit below average on both factors.) It did, however, exceed most other states in spending per JOBS and/or JTPA participant and in spending per AFDC recipient. Essentially, New Jersey matched Michigan in spending terms relative to its potential service population, but did so without having to devote as much of its aggregate income or general-fund revenue to welfare employment services. Its slightly below-average AFDC caseload (given its population) and its high personal income and state budget made this possible. Spending patterns were similar in Colorado but at a somewhat lower overall spending level, leaving most of the state’s fiscal measures near the middle of the 13-state distribution.

Florida represents the other end of the spending spectrum, spending less on JOBS and JTPA than any other focal state by all available measures, sometimes by a considerable margin. This tendency is perhaps best illustrated by the $615 Florida spent on the average JOBS participant—a figure one-third that of the typical focal state. All other spending indicators in Florida were less than half the national average, with two indicators—spending per AFDC adult recipient and spending per dollar of personal income—substantially below all other focal states.

Texas also had unusually low employment and training expenditures, compared with its income, budget, and AFDC caseload. But unlike Florida, it met or exceeded the nation’s average spending level per JOBS and/or JTPA participant. The Texas JOBS and JTPA programs served relatively few AFDC recipients in 1996 (13 percent, compared with 17 percent among all focal states). Alabama, too, parallels Florida generally while maintaining a somewhat higher level of spending overall. On employment and training services per AFDC recipient, however, Alabama exceeded rather than fell short of the national average, presumably because of its small AFDC
caseload relative to population. No states other than Florida, Texas, and Alabama show such consistent frugality for three or more of the spending indicators.

Four other states were below the norm for the nation and among the focal states, but less consistently so than those just reviewed. Massachusetts followed the Alabama spending pattern (more spent per AFDC recipient than expected given other indicators) but at a somewhat higher spending level generally. The state’s higher-than-average spending per AFDC recipient resulted from two tendencies: its high per capita income and its high JOBS/JTPA participation rate for AFDC recipients. In contrast, Washington and Mississippi spent relatively little per AFDC recipient or per training program participant. However, they did meet the average in fiscal effort (share of personal income spent) attached to work assistance for AFDC recipients. This pattern results from above-average AFDC participation rates and, in Mississippi, below-average per capita income relative to other focal states. Finally, Minnesota’s JOBS and JTPA spending fell somewhat below the middle of the distribution for most indicators, while its spending per JOBS participant led the focal group, due primarily to the state’s low participation rate in employment and training programs among welfare recipients (12 percent).

Conclusions

These capsule summaries illustrate how spending on welfare employment and training services differed across states on the eve of national welfare reform. They also highlight how the relationship between focal states depends on the fiscal indicator used, making it harder to draw any general conclusions from the data. However, one can say that:

- Michigan and a handful of other states invested substantially in employment and training assistance for welfare recipients in 1996 as national welfare reform took shape.
  This group of states, which also includes New Jersey, New York, and Wisconsin, devoted $1.30 to $7.50 of each $1,000 in state general funds to helping AFDC recipients work, or $2 to $5 of every $10,000 in personal income. This amounted to $300 to $550 per AFDC recipient, or about $1,600 to $2,800 for every AFDC recipient who participated in JOBS or JTPA.

- Three southern states spent far less on work assistance for welfare recipients in 1996. Florida had the lowest costs among all states studied, substantially below those of Alabama and Texas.
  These states spent only $1 of every $1,000 in state general funds on JOBS and JTPA programs for AFDC recipients, the equivalent of $1 to $1.50 of each $10,000 in personal income. In terms of resource utilization, this translates into around $100 to $350 per AFDC recipient and about $1,000 to $2,200 on average for each JOBS/JTPA participant.

- In the remaining six states, investments in employment and training services for welfare recipients modestly lagged or just surpassed the average for the nation and the 13 states studied. Exceptions near the high and low ends of the spectrum for individual measures were evident, however.
Among this group, Massachusetts and Washington made slightly smaller investments than other states; California's were slightly larger, with Colorado, Minnesota, and Mississippi falling in the middle. Even so, Minnesota surpassed all states in spending per JOBS/JTPA participant, while Washington lagged behind all but one. The other striking exceptions occurred in California, which had the second-highest spending in relation to its overall state budget but the second-lowest spending in relation to its AFDC caseload.

7. Conclusions and Questions for Future Research

The analyses in this paper provide a rich portrait of state systems for helping welfare recipients obtain and retain jobs on the eve of national welfare reform. Federal legislation implemented between 1996 and 2000 is expected to have major ramifications for years to come. Many anticipate that state employment and training services for welfare recipients will change markedly in the late 1990s and beyond. By depicting the starting point of this process in 13 focal states and the nation, this paper highlights key policy questions and provides a basis for understanding how states respond to their new welfare-to-work freedoms and obligations. This “baseline” look at the system in mid-1996 provides important lessons for policy in its own right and raises many topics worthy of further research.

Size of the Service Population

Retooling is not an easy, overnight adjustment for any employment and training system. PRWORA requires states to increase monthly work activity participation rates among TANF recipients from 25 percent in 1997 to 50 percent in 2002 for single-parent families. Ninety percent of two-parent families must participate in work activities by 1999. Compared with previous employment and training requirements for AFDC’s JOBS program, these new goals could increase pressure on states to expand their employment and training systems to serve more welfare recipients without shortchanging other employment and training constituencies. However, PRWORA allows states to count caseload reductions toward their work activity targets, and caseloads have been declining. As a result, some states may need fewer welfare-targeted employment and training services in the future rather than more.

How far states go to help welfare recipients find work under the new legislation will depend considerably—at least in the initial years—on where each state started. For example, a state that provided employment and training services to an atypically small share of its AFDC adult population in 1996 could face difficult challenges in making those services more broadly available under PRWORA if natural movement off the caseload or into work does not do the job on its own. Conversely, a state with a relatively expansive service delivery system in 1996 may need to scale back its employment and training offerings as work expands and caseloads decline in a buoyant economy.

The share of adult welfare recipients participating in major employment and training programs in 1996 indicates that there is plenty of room for movement in
either direction. Nationally, 20 percent of all adults on AFDC in 1996 participated in employment-oriented services provided by JOBS or local JTPA programs.88 (The great majority participated in JOBS.) This percentage is far lower than PRWORA legislation seeks to move into work and off welfare in succeeding years, though many will go to work without special government services—or by using employment and training services available from other sources in the community such as the Employment Service and local community colleges.

Even so, it could be quite important that states like California, Minnesota, New York, and Texas began PRWORA reforms with just 12 or 13 percent of their adult AFDC recipients participating in JOBS or JTPA. Expansion of services in these states, if sought, may pose particular challenges. Washington and Wisconsin, on the other hand, began the PRWORA era much better situated to pursue high levels of Employment Service delivery for welfare recipients, with 33 percent or more of their AFDC adults already participating in JOBS or JTPA in 1996. The remaining focal states—Alabama, Colorado, Florida, Massachusetts, Michigan, Mississippi, and New Jersey—fell in the middle ground of 16 to 22 percent participation.

Service Emphasis

Perhaps as important to the evolution of the nation’s welfare-to-work efforts are potential changes in the character of employment and training services for welfare recipients, as opposed to their quantity. PRWORA gives states strong incentives to focus on rapid workforce attachment—rather than longer-term education and training approaches—in designing employment assistance for TANF recipients. This emphasis fuels already emerging interest at the state level in rapid workforce attachment models of employment and training services, approaches that focus on brief “work readiness” training—where needed—and immediate job placement.

The 13 focal states were at different points in terms of philosophy, program rules, and actual practice with regard to work-focused strategies for welfare recipients in 1996. In some states, rapid workforce attachment was not even a goal of the JOBS program; in others it received only secondary emphasis. Elsewhere, it featured importantly in the overall structure of JOBS or, in a few instances, dominated almost all aspects of the AFDC program, not just employment and training services.

Discussions with government and community leaders in 1996 indicated that the rapid labor force attachment approach had at least captured the attention of state-level actors in all 13 focal states prior to national welfare reform. What each state had tried to do with the concept at that time reveals the variety of employment and training philosophies in place around the nation in 1996. Three focal states embraced the focus on rapid employment as a comprehensive welfare-to-work philosophy at the state level. Each of these states—Massachusetts, Michigan, and Wisconsin—had activist welfare reform governors in the mid-1990s. In Wisconsin, implementation of the approach had advanced to the point of involving nearly three-quarters of JOBS participants in rapid workforce attachment activities; almost two-thirds were involved in Michigan.

Other states did not espouse the labor market-focused philosophy of welfare-to-work services as much at the state level in 1996, although one—Mississippi—relied
almost as heavily on work-focused services in its actual local service delivery. Some states reported trying out workforce attachment models on a substantial scale for the first time in 1996—through major demonstrations in selected counties or nascent statewide provisions—and provided an important, but minority, share of their JOBS participants with rapid workforce attachment services. One focal state, Washington, did not emphasize the labor market attachment philosophy much at all prior to national reform. Instead, it offered education and training as front-end service options for its welfare-to-work clients and provided the great majority of its JOBS clients with human capital development assistance of some sort.

Since 1996, many states have expanded their emphasis on rapid workforce attachment as a welfare employment strategy (U.S. General Accounting Office 1999), in part because of the strong work incentives in PRWORA. Still, as a measure of PRWORA’s starting point, the 13 focal states displayed a considerable variety and richness of program approaches—a collection well suited for testing a range of initial and longer-term policy responses to national welfare reform through state and local employment and training systems.

Service Coordination and Integration

Another policy development of considerable importance is the Workforce Investment Act of 1998, which increases the federal emphasis on interaction among various education, training, and employment service providers at the state and local levels. Among its provisions, the WIA requires states and localities to integrate employment services for economically disadvantaged families, such as those on TANF, with more “mainstream” service delivery systems for experienced, higher-skill workers. Administratively, integration will take place through expansion of “one-stop” career centers providing a full range of employment and training services to all who need assistance. The success of these centers will depend in part on a given state’s prior experience coordinating and integrating two conceptually distinct service delivery systems—JOBS for AFDC recipients, and JTPA and the Employment Service (ES) for primarily more experienced workers.

As of 1996, experience coordinating and integrating JOBS with JTPA and ES programs at the state level was fairly limited. Of the 13 focal states examined, only Michigan had combined its welfare employment and training and JTPA systems within a single state department and established common access points, or “one-stop” career centers, statewide. Four other states—Florida, New York, Texas, and Wisconsin—were transitioning from minimal or no formal relationship between state-level JTPA and welfare agencies to consolidation of all employment and training programs into one department. Massachusetts and Minnesota had formal state-level agreements in place in 1996 establishing JTPA agencies as service providers to the state welfare department. No JTPA-JOBS integration or coordination was in place at the state level in the other six focal states.

At the local level, employment and training programs outside the welfare system have long collaborated with welfare agencies in their communities to pursue welfare-to-work objectives. Local attempts at integration have often varied substantially from those of state agencies: in some cases, state agency agreements have no effect...
on the relationship of local welfare and employment and training agencies, and in others they tightly define local efforts. The best available measure of local coordination is the share of JTPA’s disadvantaged-worker clients (Titles IIA and IIC) that comes from the AFDC caseload. About one-third of JTPA’s “service slots” went to welfare recipients nationwide in 1996, implying an important degree of coordination between JOBS and JTPA as local welfare-to-work service providers. Perhaps surprisingly, the one focal state to have fully integrated welfare-to-work and workforce development at the state level at that time—Michigan—was below average in this respect once its overall AFDC caseload size is taken into account. In contrast, two states with no formal state-level ties between JOBS and JTPA in place in 1996—Colorado and Wisconsin—drew roughly twice as many JTPA participants from their AFDC rolls as expected given their overall AFDC caseload sizes.

Much less local coordination occurred between AFDC and state ES agencies, with just 3 percent of ES applicants coming from the welfare rolls in 1996. Indications are that reliance on the ES system has been growing since 1996 as states have moved more toward the “one-stop shopping” model of employment and training service delivery, with the ES office often serving as the hub. It will be important to monitor how this historically small piece of the welfare employment and training system evolves as integration proceeds.

**Fiscal Commitment**

The most consequential change for welfare-to-work programs in the late 1990s may be the unprecedented opportunity states have for spending a great deal of money on employment services for TANF families—or spending very little. Both the PRWORA reforms and the federal Welfare-to-Work Grants Program (which began operations in 1998) have increased total federal dollars available to states for employment and training services in relation to what JOBS would have provided. The same legislation softens or eliminates state matching requirements thought to have constrained JOBS spending in the past. Countering these inducements to spend more on employment services is the option states now have for spending all of their TANF block grant funds on other forms of family assistance—cash payments, subsidized child care, emergency shelter, vouchers (for transportation or baby products), and so on—rather than work preparation and training. As a result, both state and federal spending on employment and training services for welfare recipients could have changed dramatically in the late 1990s and could continue to do so in the new century.

The 13 focal states displayed a range of spending patterns at the outset of national welfare reform in 1996. Federal and state spending on JOBS nationally totaled $1.5 billion that year, or about $1,800 for the typical JOBS participant. The federal government paid 48 cents of every dollar spent, though this rate varied considerably among the focal states—from 40 cents in New York to 67 cents in Mississippi across 12 focal states. California made a much greater commitment of its own funds to JOBS in 1996 after losing part of its federal funding (due to a low JOBS participation rate the prior year), relying on the federal government for just 20 cents of each dollar spent.
Overall spending on JOBS services varied substantially across states in relation to each state’s number of JOBS participants, AFDC caseload size, general-fund budget, and fiscal capacity (as measured by total personal income). Service quantities—as proxied by state and federal dollars spent per JOBS participant—ranged tremendously, from $600 in Florida to $2,900 in Minnesota. With JTPA added, the spread rose to $900 to $3,000 per participant. Focusing on a broader indicator of the potential need for welfare-to-work services, JOBS spending per AFDC adult varied from a low of $130 in Florida to a high of $540 in Wisconsin. State fiscal effort—JOBS spending per $10,000 in state personal income—differed even more dramatically, with the high ($4.70 in Michigan) exceeding the low ($0.80 in Florida) by a factor of 6. Even so, state spending on JOBS varied the most in relation to total government spending, from less than $1 out of every $1,000 spent in Florida to $7.50 per $1,000 in Michigan. In every case, less than 1 percent of the state’s general-fund budget was devoted to welfare-to-work services.

Several factors may have influenced these fiscal results, although two hypotheses suggested by other portions of the research did not bear out. First, states emphasizing more intensive human capital approaches to work did not consistently spend more per JOBS participant than states using relatively low-cost labor force attachment strategies. Reliance on education and training funds from outside JOBS (e.g., Pell grants) may account for some of this variation. Second, states with higher JOBS participation rates did not always spend less money per participant to offset the greater numbers served. It is likely that on these and other issues state decision-makers balanced their priorities across three factors: (1) the share of the AFDC caseload served by JOBS, (2) the average intensity and duration of services offered, and (3) the willingness of the public to commit state-only money to employment and training services for welfare recipients.

Questions for Future Research

Several key questions remain as state systems for training and employing welfare recipients continue to evolve. In addition to the question of participant outcomes and impacts (i.e., how well TANF recipients and former TANF recipients do in the labor market; how much employment and training services contribute to that success), a variety of “systems” issues remain on the agenda. These concern the scale, mix, organization, and financing of state and local work assistance for welfare recipients:

- Has the recent decline in welfare caseloads reduced the need for employment and training services in the aggregate? Or do states confront increasingly disadvantaged TANF populations that almost universally require assistance—and perhaps more intensive services than ever before—if they are to work? What service delivery changes will be needed to rescale and retarget welfare-to-work services in one of these two directions? Will caseload declines reduce cash assistance payments enough to pay for more intensive services, if needed?

- Will experience with the rapid workforce attachment strategy in 1996 and beyond push the approach forward still further and extend it to more states? Or will some “retrenchment” occur based on initial experience or a sense that the
strategy has done what it can to assist the more readily employed portion of the caseload and is not well suited to remaining TANF recipients?

• How much difference will the increasing consolidation of workforce development and welfare-to-work services at the state level make to the delivery of employment and training services locally? How will factors that have been holding back greater service integration be overcome as “one-stop shopping” becomes the norm for welfare recipients and experienced workers alike? Will these changes expand service availability for TANF recipients on net, or leave them with less of a program niche and fewer advocates in the employment and training community? Will the concept of “mainstreaming” welfare cases in the larger workforce development system falter if TANF caseloads shift increasingly toward more-difficult-to-employ individuals who require special approaches?

• What if the economy turns down, jobs become less abundant, and caseloads begin to rise again? Will states still be able to meet their rising TANF work participation requirements as they lose their “caseload reduction credits” and face greater obstacles in placing recipients in jobs? In meeting this challenge, will employment and training services need to expand to more individuals and/or more intensive forms of assistance? What difficulties will the service delivery system face in reversing course in this direction? Given operational challenges and competition to serve other, more vocal constituents within an integrated “one-stop” workforce development system, will welfare recipients suffer more than their usual shortfall of funding and assistance during a recession?

• What if, instead of a recession, Congress makes cuts in TANF block grant amounts, as is now being discussed. Will many of the same repercussions follow?

• Who will fund employment and training services for welfare recipients in the future? Will the federal government continue to pay half the cost? How will the equation change if a recession comes and services need to be expanded? Will states have TANF “rainy day” funds set aside at that point, or will new state-only moneys be forthcoming? Will the size of these responses be adequate? If not, which states will “win” or “lose” the most as funding arrangements shift from what they were in 1996?

• Finally, and most generally, which states, service types, and welfare recipients will be most affected by the confluence of all these factors in the years ahead—changing economic conditions, funding arrangements, caseload size and composition, and service delivery arrangements—all played out against the backdrop of historical customs and institutions for delivering welfare-to-work services locally and at the state level?

The answers to these questions for the year 2000 and beyond will depend in part on the circumstances state welfare employment and training programs faced as the various waves of federal reforms got under way in 1996. Some—and perhaps many—of the 13 focal states examined here stood at that time on the brink of a major restructuring of their employment and training systems for disadvantaged adults generally, including welfare recipients. Continuing to track this story, addressing the vital policy questions concerning the nation’s system for improving the job prospects of welfare recipients, should remain a priority in the years ahead.
1. Zedlewski (1999) reports that in 1997 at least 40 percent of the national TANF population faced two or more significant obstacles to work.

2. See Nightingale and Brennan (1998) for a detailed program description.


4. Participation of some individuals could have been limited to just one or two hours of counseling or training over the course of the year, although longer and more intensive participation was the norm. Data on the duration and intensity of JOBS participation are not available.

5. TANF's maintenance-of-effort (MOE) requirements apply to overall spending on all TANF-funded activities, including—in addition to employment and training services—cash assistance, diversion grants, child care subsidies, and other family support functions. No MOE dollars—nor any federal block grant monies—need to be spent specifically on job search, education, or training activities.

6. Six states are in this group, including one of the Assessing the New Federalism (ANF) focal states: Idaho, Mississippi (ANF focal state), Ohio, South Dakota, Utah, and Wyoming.

7. This figure, and corresponding figures by state (table 1), are calculated from the average number of adults on AFDC per month in federal fiscal year 1996, as reported in “ACF-3637, Statistical Report on Recipients under Public Assistance,” U.S. Department of Health and Human Services. They differ from official numbers submitted by states to account for monthly turnover in the caseload (i.e., new recipients replacing those leaving the rolls) when converting to annual totals. Monthly averages are multiplied by 1.3 to estimate nonduplicated counts of adults on AFDC at some point during the year. (The 1.3 factor was developed as a national estimate for the Urban Institute’s TRIM microsimulation model; see Giannarelli 1992).

8. The Job Training Partnership Act, enacted in 1982, provides federal funds to states—and, through states, localities—to support locally administered employment and training programs for low-income workers. Welfare recipients automatically qualify for assistance under JTPA Title IIA or IIC, which serve economically disadvantaged adults and youths respectively. Funding for these two titles exceeded $900 million in fiscal 1996, with about one-third going to AFDC recipients (see section 6). Overseen by the U.S. Department of Labor, local JTPA programs often deliver employment and training services to JOBS participants and other welfare recipients through paid contracts with local JOBS agencies or from their own funds. (A third major component of JTPA, Title III, provides training and work assistance to dislocated workers—unemployed adults with substantial prior work experience).

9. This figure represents an increase from 13 percent in 1994 (see Nightingale 1997). The increase is partly attributable to the decline in the national AFDC caseload between 1994 and 1996, which reduced the base on which the figure is calculated. The absolute number of JOBS participants grew by 10 percent over the period as well, from around 750,000 in 1994 to roughly 830,000 in 1996.

10. The 13-state averages reported in this paper weight all states equally in order to describe the typical state employment and training system for AFDC recipients in the 13 states—not the system available to the typical AFDC recipient.

11. Participant counts come from the U.S. Department of Health and Human Services, Memo No. TANF-ACF-IM-98-4, February 18, 1998, and include all recipients reported as “active” in JOBS. Not all of these individuals were “countable” toward federal JOBS participation requirements; for example, those engaged in JOBS activities for less than 20 hours per week did not count under federal rules. Also, it is possible that the number of active JOBS participants inferred for the fiscal year...
as a whole—while the best available estimate—overstates or understates the true number of participants for one or more states and/ or the nation. The source data indicate the number of active JOBS participants in the average month during the year, not the total for the year as a whole. The total for the year exceeded the monthly average by some amount due to turnover of JOBS cases over time. The 1.3 conversion factor used here (a 30 percent increase) comes from an analysis of AFDC spell length (see Giannarelli 1992), which may not match JOBS spell length in all cases. If JOBS spells are shorter on average than AFDC spells, the number of inferred JOBS participants is too low; if JOBS spells are longer than AFDC spells, the number of inferred JOBS participants is too high. No information exists to discern between these two possibilities.

12. Burt, Pindus, and Capizzano (2000) report that, as a procedural matter, AFDC clients had a somewhat more difficult time accessing JOBS in these four states than in most other focal states (except Florida). They base this conclusion on AFDC-to-JOBS referral practices and the tendency for local AFDC and JOBS programs to be located in the same building.

13. Data come from the U.S. Department of Labor (PY 95) Standardized Program Information Report Public Use File. Here, anyone formally enrolled in JTPA Title IIA (for disadvantaged adults) or JTPA Title IIC (for out-of-school youths) at any point during the 1995 program year who received a service other than “objective assessment” and whose JTPA involvement terminated in that year is counted. Other JTPA titles rarely serve welfare recipients. JTPA services include basic education, work-readiness training, job development, job search assistance, occupational skills training, work experience, and on-the-job training.

14. JTPA Title IIA served disadvantaged adults age 22 and older. Title IIC served out-of-school youths, 51 percent of them ages 18 to 21 and therefore considered adults by AFDC. JTPA Title IIB also served youths, but only those still in school—a substantially younger group not particularly relevant to the analysis of AFDC adults.

15. Specifically, JTPA Titles IIA and IIC served about 250,000 participants nationally in 1996 at a cost of $930 million. In contrast, JOBS spent $1.5 billion that year and served an estimated 830,000 individuals.

16. The JTPA data indicate who received AFDC and/ or participated in JOBS during their JTPA enrollment.

17. This increase, from 16 to 17 percent, means that an added 1 in 100 AFDC recipients received employment and training services because of JTPA. This constitutes a 6 percent increase over the 16 in 100 recipients served by JOBS.


19. Nightingale (1997) reports that 300,000 AFDC recipients obtained Pell grants in 1991 and that 170,000 were assisted by federal student loans in 1994.

20. Other welfare-to-work models are possible when delivering work-related services to AFDC recipients, including personalized case management, job coaching or “shadowing” at the work site, and provision of work support services alone (e.g., transportation, child care). Alternative strategies of this sort have not attracted near the attention devoted to rapid workforce attachment and human capital investment and seem not to have been very prominent among state waiver and JOBS programs in 1996. They will not be considered further here.

21. A summary of the welfare reform provisions approved under federal waivers in each state through mid-1996 appears in U.S. Department of Health and Human Services (1997). Gallagher et al. (1998) identify the major welfare reform provisions actually implemented and in place (not simply approved) as of that point in the areas of welfare eligibility, time limits, work requirements, and benefit formulas. There is no corresponding list of employment and training program features in place in all 50 states at that time.

22. See Holcomb et al. (1998) for an in-depth examination of “Work First” programs in five states in early 1997. This report, which includes two of the Assessing the New Federalism focal states (Massachusetts and Wisconsin), covers aspects of the labor force attachment strategy not addressed here—
mandatory work requirements, sanctions, time limits, etc.—as well as the delivery of employment and training services.

23. In addition to employment and training services, the workforce attachment philosophy can show up in a state’s financial incentives to work, work participation requirements, and sanctions for nonparticipation. For details on program rules in these areas in all 50 states, see Zedlewski et al. (1998), table 2.

24. Key informants included state directors of the AFDC, JOBS, JTPA, Food Stamp, Employment and Training, and Employment Service programs, as well as high-level policy and fiscal staff in governors’ offices. Interviews were also conducted with commissioners of state workforce development councils (where applicable) and legislative members/ staff for statehouse committees that oversee welfare-to-work and employment and training programs. Input was also obtained from local actors in one to three localities per state; these included JOBS and JTPA program managers, and managers of “one-stop” career centers for employment and training services.

25. Information from state informants is also used in section 5 to explore the interaction between JOBS and other employment and training programs at the state level.

26. Findings for the focal states are not necessarily representative of all states on the factors presented in this paper, including emphasis on workforce attachment. However, these states do provide over half the national story for the population of AFDC recipients in 1996, 56 percent of whom lived in the 13 focal states at that time.

27. Information on local discretion in administering employment and training programs for welfare recipients in 1996 comes from the case study site visits.

28. Zedlewski (1999) summarizes the changes in AFDC benefit rules made in each focal state under federal waivers prior to 1996 that emphasized the rapid employment goal. Three areas of policy are considered: financial incentives to work (earnings disregards), work participation requirements (share of caseload required to participate), and sanctions for nonparticipation (degree of benefit reduction). Each state is categorized according to the degree of work emphasis added to standard AFDC rules prior to PRWORA: intensive emphasis states, where extra work emphasis had been added in all three policy areas; moderate emphasis states, with extra emphasis in one or two areas; and limited emphasis states, with no departure from regular AFDC rules in any of the areas. The two scales—employment and training service emphasis in JOBS and AFDC benefit rule emphasis—align quite well:

<table>
<thead>
<tr>
<th>Emphasis on Rapid Employment in:</th>
<th>JOBS</th>
<th>AFDC (Zedlewski)</th>
<th>State(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive</td>
<td>Intensive</td>
<td>Michigan, Wisconsin</td>
<td></td>
</tr>
<tr>
<td>Comprehensive</td>
<td>Moderate</td>
<td>Massachusetts</td>
<td></td>
</tr>
<tr>
<td>Important/Limited</td>
<td>Moderate/Limited</td>
<td>Alabama, California, Florida, Texas, Mississippi, New Jersey, New York</td>
<td></td>
</tr>
<tr>
<td>Little or None</td>
<td>Limited</td>
<td>Colorado, Minnesota, Washington</td>
<td></td>
</tr>
</tbody>
</table>

29. Later Assessing the New Federalism products will examine those responses—and their possible implications for postreform employment outcomes for low-income families—in the same 13 states.

30. Since JTPA is a small part of the overall employment and training system for welfare recipients and overlaps with JOBS to a considerable degree (see section 2), its service mix will not be examined separately here, nor will those of other less-targeted overlapping programs, such as the Employment Service and community college system.

31. No “master list” of preferred federal definitions exists for the categories shown here. Category labels (e.g., “Employability Assessment/ Employment Planning”) are taken from the most complete federal report available on JOBS activities in 1996, the U.S. Department of Health and Human Services Memo No. TANF-ACF-IM-98-4, February 18, 1998.
32. Because JOBS-funded on-the-job training occurs in the workplace, it is grouped with work-oriented activities, rather than education and training. The “other unpaid work” and “other paid work” categories count participants whose employment is in some fashion supported by ongoing JOBS services or case management, while pure “job entry” does not.

33. Percentages are derived from the ratio of two yearly averages: the number of AFDC recipients participating in the indicated JOBS activity in a given month of federal fiscal year 1996, averaged across all 12 months of that fiscal year, divided by the number of AFDC recipients participating in any JOBS activity in a given month of federal fiscal year 1996, averaged over the same 12 months.

34. Note that tables 4 and 5 do not show how large a state’s JOBS program was to begin with in relation to its AFDC caseload. Only the (sometimes small) minority of AFDC adults who actually participated in JOBS activities during fiscal year 1996 are used in the calculations—a group that (as we saw in section 2) constituted only 11 to 37 percent of all adult AFDC recipients in the various focal states. For this reason, reported percentages do not indicate the extent of human capital development or labor force attachment activities among AFDC recipients generally. The intent is to document the character of a state’s JOBS program when used, not gauge the extent of that use or the prominence of any given service type within the AFDC population as a whole. Some perspectives on the latter factor will be provided, however.

35. This does not mean that only 14 percent of JOBS participants found jobs. Many of those who found work had left AFDC—and, therefore, JOBS—by the time the data were collected, while others worked in jobs subsidized, set up, or supported by JOBS and appear in the last five rows of the table.

36. Percentages ranged from 4 to 7 percent for the nation as a whole. A percentage in this range constitutes less than 1 in 50 AFDC adult recipients overall.

37. Education and training activities include high school education, general equivalency diploma (GED), remedial education, English as a second language, higher education, vocational training, and job skills training.

38. Work-oriented activities include job readiness, job development, job search, on-the-job training, work supplementation, community work experience (CWEP), other unpaid work, and other paid work.

39. It is also consistent with Zedlewski’s (1999) finding of limited emphasis on rapid job entry in Mississippi’s AFDC benefit rules prior to PRWORA.

40. Recall that the immediately preceding discussion interpreted Mississippi’s JOBS activity data as indicating a substantial though not fully comprehensive reliance on rapid workforce attachment strategies.

41. In contrast, none of the three upper-Midwest states examined fit this profile, nor did two of the three western states considered (Colorado and Washington).

42. Four focal states showed no JOBS clients in paid or unpaid work in the average month, and another five reported 2 percent or less.

43. Six focal states did not use CWEP at all, while another three states placed just 1 or 2 percent of their JOBS clients in this activity.

44. The six states that met this description (excluding Mississippi, where less than 60 percent of JOBS participants engaged in human capital development activities) were home to 43 percent of the nation’s welfare recipients at the time, with 40 percent living in the four larger states alone. Similar JOBS programs (if any) in states outside the focal group could have placed the total above 43 percent for the nation as a whole.

45. These states were Alabama, Florida, and New York.

46. In the two other focal states with relatively decentralized employment and training systems—New York and Texas—state perceptions aligned more closely with local practice. Perceptions were not misaligned with practice in any of the four focal states where central agencies played a larger-than-usual role in local employment and training program operations (Alabama, New Jersey, Washington, and Wisconsin).
47. For AFDC adults overall, the share engaged in immediately workforce-connected JOBS activities in 1996 was about average, 1 in 11, due to Washington’s high overall JOBS participation rate among AFDC adults (see table 1).

48. Not surprisingly, the average focal state falls into this category, with majority—but not overwhelming—reliance on human capital development activities combined with substantial use of workforce attachment strategies. This profile also describes employment and training activities of AFDC recipients nationally in 1996—an again not surprising result, given that the nine focal states in this category were home to nearly half of the AFDC adult recipients in the nation (48 percent) in 1996.

49. The findings in table 7 are informed in part by a workforce development survey conducted by the National Governors’ Association in August 1996 (National Governors’ Association 1997). Governors’ workforce policy advisors served as respondents. On the issue of coordination between welfare-to-work and employment and training agencies at the state level, published survey results reference only 4 of the 13 focal states: Florida, Texas, Washington, and Wisconsin. Seven other focal states (all but Massachusetts and Michigan) responded, but their data on this topic were not reported. For information on coordination/integration after 1996, see Nightingale et al. (1997; all states), National Governors’ Association (1998; 29 states), and U.S. General Accounting Office (1999; 5 states).


51. As noted previously, JTPA program year 1995 covered the interval July 1995 to June 1996.

52. As noted in section 2, participants common to the two programs represent a much smaller share of the AFDC adult caseload, just 1.5 percent for the nation as a whole and 2 percent in the average focal state. This reflects the fact that, in 1996, AFDC had 20 times as many participants as JTPA Titles IIA and IIC—over 5 million, as compared with 253,000.

53. No local-level data are available to check within-state variation.

54. In particular, the 18:8 ratio of the number of AFDC adult recipients per 1,000 residents in Massachusetts and Alabama in 1996 almost exactly matches the implied 19:8 ratio for the share of JTPA participants on welfare. (Note that 40.6 percent of JTPA clients were on AFDC in Massachusetts in 1996 and 16.9 percent in Alabama. These percentages—when reduced by a factor of 2.13—yield figures of 19 and 8 for the two states, respectively.)

55. The same 19:8 ratio applies here as in the Massachusetts-Alabama comparison.

56. This comparison reduces to a ratio of 9:8, not 18:8 as in the Massachusetts-Alabama comparison.

57. This is particularly the case in Wisconsin, where nearly twice as large a share of JTPA participants came from the welfare rolls as would have been predicted by the state’s per capita AFDC caseload alone. The ratio of Wisconsin to the nation for per capita caseload size in 1996 was 12:20, while for the share of JTPA clients on AFDC it was 23:20 (derived by reducing the 36.4 and 31.6 figures from table 8 by a factor of 1.58).

58. Alabama’s 11:20 ratio to the nation regarding AFDC’s share of JTPA (16.9 percent in Alabama, 31.6 percent in the United States generally, reduced by a factor of 1.58) slightly exceeded the 8:20 ratio between the jurisdictions’ per capita caseload sizes.

59. Comparing Washington with the nation gives a ratio of 23:20 for per capita caseload size in 1996. Welfare receipt rates of 36.0 percent in Washington and 31.6 percent for the entire United States, reduced by a factor of 1.58, also produce a ratio of 23:20 for the share of JTPA recipients on AFDC.

60. The Colorado to-nation ratio for per capita caseload size was 10:20 in 1996. Reducing the Colorado and U.S. percentages for the share of JTPA participants receiving AFDC (38.9 and 31.6 percent, respectively) by a factor of 1.58 gives a much higher ratio, 25:20.

61. This figure reflects the fact that California allotted 27.3 percent of its JTPA “slots” to welfare recipients not in JOBS (column 3 of table 10) in 1996, compared with a total of 32.9 percent of its JTPA...
“slots” going to AFDC recipients generally (column 2 plus column 3). The former group constitutes 83 percent of the latter.

62. This can be seen by noting in table 10 that 9 to 56 percent of JTPA’s AFDC clients in these states did not participate in JOBS, compared with 62 percent for the entire United States.

63. This can be seen by noting in table 10 that 82 to 83 percent of JTPA’s AFDC clients in these two states did not participate in JOBS, compared with 62 percent for the entire United States.

64. The final two focal states, Texas and Washington—whose JOBS/JTPA coordination effort nearly matched the national average in table 9—split between showing above-average reliance on service integration (i.e., in Washington, a below-average share of AFDC recipients in JTPA did not participate in JOBS) and below-average reliance (i.e., in Texas, an above-average share of AFDC recipients in JTPA did not participate in JOBS).

65. However, this pattern does not hold up in Alabama or Colorado, the other two focal states with no state-level JOBS/JTPA coordination either in place or in the offing in 1996.

66. The maintenance-of-effort (MOE) requirement in the new bill requires state spending on TANF equal to or in excess of 75 percent of the state’s spending on AFDC, JOBS, and emergency assistance (plus transitional and at-risk child care) in fiscal year 1994. For states that do not meet this standard, federal block grant amounts fall by the amount of the difference. (See Mermin and Steuerle [1997] for a more complete discussion of PRWORA’s funding provisions and their possible implications for states’ budgets.) The MOE level rises to 80 percent if a state does not meet TANF’s work requirements.

67. For an earlier examination of welfare employment and training expenditures for the JOBS and JTPA programs, see U.S. General Accounting Office (1994).

68. State spending could be provided in cash or in kind.

69. An important share of JOBS funds financed child care services that allowed AFDC parents to participate in JOBS activities. Child care services are fundamentally different from the labor market–related employment and training services delivered to adults and, hence, are not considered here. For simplicity, the terms “JOBS expenditures” and “JOBS spending” are used henceforth to refer to the costs of employment and training services only, exclusive of JOBS child care costs.

70. The amount a state was allotted under the old Work Incentive (WIN) program also played a role. In the 1970s and 1980s, state WIN programs provided low levels of employment assistance to AFDC adults and encouraged welfare recipients to take immediate employment through “work registration” requirements and other incentive measures. For details of federal matching formulas, see U.S. House of Representatives (1998), pages 475–76.

71. The same is true for any other state-initiated employment and training programs for AFDC recipients that were not formally a part of JOBS. Examples of such programs include the California Employment and Training Panel Program and the Bay State Skills Corporation in Massachusetts. It is possible that some states reported expenditures on this type of “state-only” program on Form ACF-332, the federal form used to track total state-plus-federal JOBS spending and analyzed here (see below). We would not expect such reporting generally, however, for simplicity, we will refer to all ACF-332–reported spending as “JOBS expenditures.”

72. The figures in table 11—like those underlying all of the findings in this section—rest on three assumptions. First, although JOBS rules gave states three years to spend each year’s federal allocation, it is assumed that any federal funds carried over from prior fiscal years and used in fiscal year (FY) 96 were offset by unused federal allocations from FY 96 carried forward to later fiscal years. It is also assumed that states reported all state-plus-federal expenditures on JOBS, even spending beyond the amount needed to fully claim all federal JOBS funds available, if any. There was no requirement or financial incentive for states to do this; although many did (including 10 of 13 focal states in FY 96). Finally, total state-plus-federal JOBS expenditures are presumed to have broken down among the program’s three matching-rate categories proportionally to the breakdown of new JOBS allocations in FY 96.
Matching rates for the full-time staff and other nonadministrative costs category equaled 70 percent in Alabama and 62 percent in Texas. Other focal states received the minimum matching rate of 60 percent.

Even so, Colorado may have had some state-only spending that state officials did not report to the federal government on Form ACF-332. As noted previously, there were no direct incentives or requirements for states to report state-only spending on this form, although most focal states reported some. Two other focal states besides Colorado—New Jersey and Washington—reported no state-only spending; these states had the next-highest shares of federal support for JOBS after Mississippi and Colorado. They lagged Colorado, however, because a smaller share of their JOBS expenditures were in the 60 percent matching category and a larger share in the 50 percent category.

Ohio (not included in the table) was third at $47 million. No other state in the nation received more than $35 million of JOBS funding from the federal government in FY 96.

The state fiscal year 1996 ran from July 1995 to June 1996 in most instances, although Alabama's fiscal year began in September, Texas's in October, and New York's in April.

Pell grants provide scholarship funds administered by the U.S. Department of Education to low-income students. As concerns the unexpected pattern in the results, it is also possible that these calculations spread the total costs of JOBS services among too many people in those states that emphasize human capital investment, such as Massachusetts, Washington, and/or Florida, artificially lowering measured costs per participant. This would be the case, for example, if the average JOBS spell in a particular state lasted longer than the average AFDC spell, yielding slower month-to-month turnover of JOBS cases relative to AFDC cases. As may be recalled from section 2, counts of the number of JOBS participants over a year were derived by multiplying the number of JOBS participants in the average month by 1.3, a factor known to adjust accurately for AFDC turnover but that may not for JOBS turnover. Longer JOBS spells are certainly more likely in states using longer-term school and training strategies rather than rapid work attachment approaches. This same skewing could also help explain the surprisingly high costs of JOBS services per participant in Michigan. It is possible that there, in a largely work-focused environment, JOBS spells had shorter durations on average than AFDC spells, producing artificially low counts of annual JOBS participants and, hence, an artificially high estimate of JOBS spending per participant. These types of biases, even if present, seem unlikely to explain state-to-state differences of the magnitude seen in table 12, however.

Comparing the work-related characteristics of AFDC recipients across states to judge relative need is beyond the scope of this document. See Zedlewski (1999) as an example.

Because society does not expect all AFDC adults to work (e.g., single parents of infants, people with serious work-inhibiting disabilities), the size of the AFDC adult caseload size will overstate the true level of welfare-to-work service needs in the AFDC population.

Personal income is the source of most states' largest revenue component, the state income tax. Other components of "fiscal capacity" are also important, such as corporate wealth or the quantity sold of items subject to state excise taxes (e.g., cigarettes), but are not examined here.

As noted earlier, other programs serving the employment needs of welfare recipients may have offset some of these cross-state differences in JOBS funding. For example, community and technical colleges in Alabama and the Employment Service in Mississippi are thought to have been important channels for serving AFDC clients outside of JOBS.

JTPA requires no state match and, thus, is funded entirely by the federal government.

As with participation (see section 2), measured JTPA spending is confined to JTPA Titles IIA and IIC. We assume that these two titles in 1996 spent as much per person on clients receiving AFDC as on their other clients.

The added contribution of JTPA to funding welfare-to-work services, while still substantial, shrunk enormously in the years prior to national welfare reform. Nightingale (1997) reports that JTPA added 41 percent to JOBS funding in 1994. The halving of its contribution in 1996 reflects primarily the shrinkage of JTPA funding over this period, though JOBS funding rose slightly as well.
85. The major cost of on-the-job training is JTPA-funded reimbursement of employers for a large share of a participant’s wages and fringe benefits during the training period. Another reason for higher perparticipant costs in JTPA arises from the standard reporting practice (followed here) of excluding from JTPA participant counts clients terminated after receiving no more services than “objective assessment.” Since JOBS participant counts are based on all active clients in any month, it is not possible to exclude JOBS clients who eventually terminated from the program without receiving any services beyond assessment.

86. Spending was particularly low per training program participant in Washington, due to the extremely high rate of JOBS/JTPA participation among AFDC recipients in that state (33 percent, compared with 17 percent for the nation).

87. Each percentage point reduction in caseload size compared with the 1995 level is considered to fulfill one percentage point of a state’s TANF work participation requirement.

88. This figure is not based on the official definition of “participation rate” in the JOBS program, which used a tighter definition of participation (i.e., 20 hours of involvement per week, not simply some involvement during the year) but also greatly constricted the set of recipients included in the base for the calculation.
References


Stephen H. Bell is a principal research associate in the Income and Benefits Policy Center of the Urban Institute. His research focuses on evaluating job training and employment programs at the local, state, and national levels, including program impacts on the economic well-being of participants. Ongoing work includes the incidence of education and training activities among low-income adults and the effects of the national Welfare-to-Work Grants Program.

Toby Douglas served as an Urban Institute research associate in the Human Resources Policy Center from 1996 to 1999. His research focused on state social welfare spending and the implementation of employment and training reforms.