Literature Review on Service Coordination and Integration in the Welfare and Workforce Development Systems

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This paper will review studies that have described and analyzed the coordination and integration of employment and training services, with specific attention given to the coordination of welfare-to-work programs and the workforce development system. Overall, prior research on the coordination of workforce development and welfare programs offers only limited evidence of successful, sustained efforts. Moreover, there appears to be no single model or incentive that promotes successful coordination.

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What is meant by service coordination and integration?

Over the years, the terms "coordination" and "integration," as well as "collaboration" and "linkages," have often been used interchangeably and with varying connotations and meanings. More recent studies have reached some consensus and define coordination as situations where two or more organizations work together, through a formal or informal arrangement, to meet one or more goals such as improving the effectiveness and/or cost-effectiveness of programs, avoiding the unnecessary duplication of services, and improving performance (Trutko et al., 1991; Holcomb et al. 1993). While many of the terms are interchangeable, there is generally a distinction between service integration—which implies logistic and physical proximity—and coordination—which refers to agencies' efforts to work together to achieve specified goals. Clearly, coordination can occur without operational integration, and physical integration does not necessarily improve system or program coordination. Based on this distinction, most of the studies in this area have focused on coordination rather than service integration.

What is the workforce development system?

The workforce development system generally refers to a broad range of employment and training services whose purpose is to enable job seekers, students, and employers to access a wide range of information about jobs, the labor market, careers, education and training organizations, financing options, skills standards or certification requirements, and needed support services. There is not currently one typical workforce development system. In most (but not all) states, much recent attention has focused on creating user-friendly one-stop career centers that provide job seekers and employers with one-stop access to a broad range of employment and training services at particular locations or through electronic linkages. As of April 1998, 46 states received grants from the U.S. Department of Labor to establish one-stop centers, and in many states these centers have become the focal point of the workforce development system.

Most state workforce development system reforms strive to build a more integrated system from the existing array of federal and state programs. After several years of consideration, Congress last summer enacted the Workforce Investment Act that restructures and streamlines multiple funding streams for scores of programs that aim to provide employment and training assistance to various segments of the population, particularly the economically disadvantaged. Under the new workforce legislation, all states must establish one-stop career centers. However, many state and local jurisdictions and agencies had already moved ahead with their own approaches to integrate multiple programs or funding streams and to coordinate staff in different programs in order to develop systems that are intended to improve the quality of jobs and workers in their local economies.

While there is clearly variation across states, among the agencies that have been involved in workforce development systems are the JTPA programs, the Employment Service(es), community colleges, other vocational and adult education providers, and vocational rehabilitation providers. The Workforce Investment Act requires the involvement of these agencies as well as employment and training activities provided through the Community Service Block Grant, Housing and Urban Development, and the Department of Veterans Affairs. In some states and localities, welfare-to-work programs operated by the Temporary
Assistance for Needy Families (TANF) program are systematically included in workforce development systems. In others, there is no formal linkage and welfare recipients are served like any other job seekers. The new legislation does not specifically require welfare-to-work activities operated by the TANF system to be part of the workforce development system.

Employment-related programs provided under the workforce development system have been involved to varying degrees in state welfare reform programs over the past three decades. The ES had joint responsibility with state welfare agencies for the Work Incentive (WIN) program in the late 1960s, and in some states continues to this day to have a major role in providing employment-related services to welfare recipients (e.g., work registration, job search, job placement, welfare management), even though there is no formal nationwide role for the ES in welfare offices. ES-welfare services have usually been delivered from locations separate from the regular mainstream offices, sometimes with ES staff co-located with welfare staff. In many, but not all states, both the Job Service and JTPA are the same agency; and in several states and localities, the Job Service is the local administrator of JTPA.

In the past decade, there have been more varied models under the Job Opportunities and Basic Skills (JOBS) program for providing welfare recipients with employment-related activities. While there has been no comprehensive survey on how the JOBS employment services were delivered in all states, descriptive information shows that in many states, staff of the welfare agency provided job search assistance and other employment services. But in a number of states, welfare agencies contracted with the ES or JTPA to deliver services. In some states, JOBS programs were integrated into one-stop career centers that often included ES, JTPA, education, and other services. In many states, the ES and/or the JTPA system had interagency contracts or agreements with the welfare agencies to operate all or some of the JOBS program, but again, no formal nationwide responsibility. As states revamp their welfare systems in response to TANF and the Welfare-to-Work (WtW) grants program (which provides supplemental funds to help welfare recipients with the most serious employment problems both move into and keep jobs), JTPA and other employment and training programs will continue to be affected.

Given the range of government programs providing employment, education, and training services, the integration and coordination of these services (or lack thereof) has been a concern of policymakers and program administrators over the past two decades. To assist in these efforts, several studies have focused on ways to improve the coordination of employment and training services for low-income and other populations (Bailis 1989; Trutko et al. 1991; and Holcomb et al. 1993). Many of these studies focus on the coordination between JTPA and one-stop service centers and a range of other programs including welfare-to-work programs operated through JOBS or TANF, the employment service, adult and vocational education, economic development, and rehabilitation services. Based on a review of this literature, this section discusses models of coordination as well as the benefits and barriers of service coordination. The paper also discusses issues raised in the literature specifically related to the coordination of the workforce development and welfare system. Finally, based on previous studies, this section identifies factors that could potentially foster coordination.

Service Coordination Models and Strategies

Studies of state and local service coordination efforts have found that many diverse approaches have been taken in coordinating services. Several studies have developed "models" that allow one to characterize different coordination efforts. In this section, three general ways in which these linkages have been categorized in past studies are discussed. These models offer useful ways of thinking about the variety of state and local efforts to integrate the workforce and welfare systems.

System-oriented and service-oriented coordination. The General Accounting Office (GAO) categorized service coordination efforts as either "system-oriented" or "service-oriented" depending on their goals (GAO 1992). System-oriented efforts have ambitious goals that are focused on reforming the delivery system. These types of efforts are intended to: (1) develop new human service delivery systems or alter the way existing agencies are structured, (2) create new services to fill gaps in available services or address unmet client needs, and (3) reduce conflicts and inconsistencies among service programs to make it easier for clients to apply to and be accepted by programs. To accomplish their goals, these efforts seek to change the way agencies plan and fund programs.

Service-oriented models have more modest goals and attempt to link clients to existing services and unite various service providers without altering program budgeting or funding processes, service agency responsibilities, or organizational structures. These efforts link clients with existing services through such methods as the colocation of providers and the use of case managers. In general, there have been limited attempts at system level reform—although the recent Workforce Investment Act is a good example of this type of effort. Most state and local initiatives to coordinate services fall into the service-oriented model.

Top-down and bottom-up integration. While the coordination of service delivery systems usually takes place at the local level, studies have shown that the initiative to coordinate may either be locally developed ("bottom-up" coordination) or may be encouraged or imposed by federal or state officials ("top-down" coordination) (Trutko et al. 1991; Bailis 1989). With top-down integration, federal and state officials may promulgate "requirements" that local agencies coordinate the delivery of specific types of services, or offer advice or incentives to promote collaboration. Coordination is often mandated in legislation; at other times, requirements are contained in administrative communications ranging from personal initiatives of key officials, to joint policy statements, to agency regulations. For example, the new Workforce Investment Act promotes "top-down" coordination by requiring the establishment of state and local Workforce Investment Boards and the submission of state and local plans detailing how coordination will occur.
According to Trutko et al. (1991), "top-down" initiatives to promote coordination are sometimes influential in shaping the decisions made by local program administrators. They tend to command attention—and sometimes compliance—throughout the covered jurisdiction. But they may not lead to noticeable changes because local level officials resist (or simply ignore) the pressures to coordinate as they try to maintain the status quo. Thus, "top down" efforts to promote coordination can be helpful in bringing attention to the issue, but they do not guarantee that anything will happen.

In contrast, "bottom-up" coordination arises from the initiative of one or more local program administrators without reference to particular federal or state initiatives or requirements. The initial idea to coordinate service delivery may come from local elected officials or local program administrators as a way to facilitate obtaining services for their clients, sharing costs, or improving administrative efficiency. The presence of strong local advocates for coordination in situations like these can be a major factor in initiating and maintaining a coordinated relationship. However, those at the federal or state level cannot rely upon local initiatives such as these for efforts they hope will be implemented throughout their jurisdictions, and they cannot expect "bottom-up" initiatives to show any consistent pattern or model.

**Typology of Service Coordination Initiatives.** A study by Holcomb et al. (1993) of one-stop service integration found considerable variation across a number of dimensions, including the scope of the service coordination. To illustrate the various dimensions of service integration, this study developed a typology for viewing coordination based on the programs and agencies involved, the service or activities that are coordinated (from the user's perspective), and the target group.

**Agencies and Programs Involved.** At the state and local level, there are a variety of programs and agencies that can be involved, including the JTPA programs, the employment service, cash assistance programs, secondary and post-secondary academic education, vocational education, economic development, and vocational rehabilitation. Depending on the agency, there can be a single program or a range of programs within each agency included in the coordination initiative.

**Services and Activities Involved.** There is also a wide range of services or activities around which coordinated or integrated service delivery may occur. This includes activities involving client services such as intake and eligibility determination, assessment and case management, and delivery of employment and training services. In addition, coordination can occur around activities involving agency operations such as planning, training and information exchange, integrated MIS systems, and collocation of facilities.

**Target Population.** Coordination can involve different populations of constituents including all job seekers, disadvantaged workers, dislocated workers, Unemployment Insurance claimants, welfare recipients, youth, homeless, and ex-offenders.

**The Benefits of Service Coordination**

Several studies point to the substantial benefits of coordination which can potentially accrue to both clients and programs (Trutko et al. 1991; Holcomb et al. 1993). With respect to clients, coordination often enables clients to access a wider range of services than would otherwise be available. Because agencies may be able to reduce duplicative services with coordination, they may be able to provide new, expanded, or more intensive services that will benefit their clientele. Clients may also experience a reduction in the barriers to accessing services—primarily through a simplified referral process that reduces the cost and time associated with accessing services.

From the agency perspective, the primary benefit of coordination is to eliminate the costly duplication of services and to refocus resources on the provision of new or expanded services. Agencies may also experience access to additional resources, greater flexibility in using funds, the ability to offer a wider range of services targeted at client needs, increased knowledge and communication among agency staff, enhanced ability to serve different target groups, and an improved image with clients, employers, and the communities served.

While there are clearly benefits to coordination, the literature emphasizes that it is important to view coordination as a means to end—namely, a more effective and comprehensive service delivery system for clients to improve their long-term outcomes—rather than an end in and of itself. Grubb et al. (1990), finding only very limited duplication in the provision of services even with relatively uncoordinated efforts, stressed that the primary goal of service coordination should be to make programs more effective. Bailis (1989) emphasizes that service integration efforts cannot be judged by the coordination process (as he finds most studies have done) but whether it achieved the intended results of greater effectiveness, reduced costs, and fewer demands on clients.

**Barriers to Service Coordination**

While there are clearly many benefits to both clients and programs of coordinated services, the literature and the experience of states and localities show that there are a number of barriers that make coordination difficult. The most commonly cited barriers in the literature are described below.

**Bureaucratic barriers and turf-protection.** Turf issues are cited in virtually every study of coordinated service delivery as one of the major barriers—if not the most important barrier—to the establishment and maintenance of coordination. According to Bailis (1989), turf issues refer to the desire to maintain autonomy and thus avoid having individuals in other agencies affect things within one's own organization. Burbridge and
Nightingale (1989) note that there is a common fear among agencies that coordination may somehow result in the agency being taken over or in a loss of decision-making autonomy. Even officials who can clearly see the benefits of coordination are often fearful of yielding their authority to another agency or relinquishing control outside of their own agency. The Trutko et al. (1991) study of JTPA coordination cites several barriers closely related to turf issues, including different perspectives on performance and service to clients, fear of loss of agency autonomy, distrust of the agencies, and lack of ownership.

**Different philosophies or missions.** One common problem in service coordination efforts is that agencies often perceive their missions to be different. Each state and local program has its own philosophy regarding which clients should be served, how they should be served, and how success should be measured. Trutko et al. (1991) note that JTPA is often described as being "performance driven" because of its emphasis on performance standards and the involvement of the private sector. The Employment Service generally emphasizes finding workers for employers, and past welfare programs have widely varying philosophies and missions. Holcomb et al. (1993) note other differences that can deter service coordination, including the relative emphasis on social services versus employment and training; viewing participation in employment and training as a requirement, an entitlement, or an option; and the importance of cost considerations. These philosophical differences across agencies may lead to an exacerbation of turf issues or other coordination problems.

**Differences in Performance Measures and Obtaining Credit for Services and Results.** Employment, training, education, and welfare programs are accountable to various oversight bodies, and they generally must provide evidence on their performance. Holcomb et al. (1993) find that the performance standards that each program is accountable for can differ substantially, altering perspectives of agency administrators and complicating efforts to coordinate. For example, in the past, JTPA was judged on job placement standards and JBOS on participation rates. In addition, programs may be reluctant to refer participants to other agencies if they can not be assured of receiving credit for positive outcomes. Burbridge and Nightingale (1989) note that some agencies may be discouraged from integrated service delivery because of the loss of control over the flow of clients through the system and difficulty in meeting numeric service goals.

**Incompatible Management Information Systems.** One of the most frequently encountered barriers to service integration is inconsistency in data collection and management across programs. This barrier is mentioned in most studies of service integration and coordination. The study by Holcomb et al. (1993) on one-stop service coordination attributes incompatibility in data collection systems to several factors, including JTPA eligibility requirements and performance standards that drive the system's data collection; less complex data collection for employment service and vocational education programs; and the different concerns of welfare departments, such as attendance documentation for enforcing mandatory participation.

**Different eligibility restrictions.** State and federal eligibility requirements are sometimes mentioned as barriers to service coordination among agencies operating employment and training programs. Employment, training, education, and other programs often have restrictions on who can be served. For example, JTPA includes categorical eligibility requirements (e.g., 90 percent of the Title II-A participants must be economically disadvantaged) and residency requirements (participants must live in the service delivery area). Programs coordinating with JTPA often have different eligibility requirements and/or serve a different geographical area. If programs serve ineligible participants, the organization may have its expenditures disallowed during an audit and may be required to reimburse the government for the program.

Clearly, the combination of these factors can be daunting to coordination efforts and are most likely responsible for the general lack of coordination evidenced in past studies.

**Coordination of the Welfare and Workforce Development Systems**

While the studies discussed above raise issues about the coordination of employment and training services generally, a number of researchers have looked specifically at issues involving the coordination of the welfare and workforce development systems. Most of these efforts have focused on state-level integration, with less attention given to collaboration at the local level.

Researchers have identified two areas that specifically hindered the coordination between these two systems in the past (Ballis 1989; Grubb et al. 1990). First, particularly in the early years of JTPA, the workforce system was not focused on providing services to the more disadvantaged individuals—the group typically served through the welfare system. Because of its performance standards, some JTPA programs emphasized the provision of services to the job-ready rather than to those who may need additional and more intensive services to become employed. Second, there have been differences in objectives and time frames between the two programs which hinder coordination. Even before the new welfare law, many welfare-to-work programs operated by the welfare system took a primary interest in efforts to find job placements quickly, and thus had less interest in placing clients in the longer-term training provided by the workforce system.

Several recent studies have focused on measuring the level of coordination between the workforce and welfare systems and have generally found relatively low levels of service coordination. The Urban Institute developed typologies that classify state-level agreements or arrangements between JTPA and welfare-to-work efforts (Nightingale et al. 1997). These typologies document the extent to which formal state-level agreements exist between JTPA and welfare-to-work efforts or whether there have been major state-level reorganizations related to welfare reform. As described below, they identified four general models (or levels of interaction) and submodels (not listed):
and welfare-to-work programs is integrated within a single employment and training or workforce development agency at the state level.

**Formal Interaction between Welfare and JTPA System at the State Level.** There is no state level integration per se, but the agency that administers JTPA has formal administrative responsibility for all or some aspects of TANF work programs, and/or the welfare agency has transferred all or some TANF work funds to the agency that administers JTPA.

**Formal Interaction between Welfare and Employment Security System (and Indirect Role for JTPA) at the State Level.** A formal financial or non-financial agreement exists at the state level for the state Employment Service agency, which also administers JTPA, to provide some or all TANF work services locally.

**Minimal or no Formal Role for JTPA or Employment Security at the State Level.** No formal state contracts or interagency management team.

This study found that major state-level restructuring due to welfare reform was rare—slightly less than one-half of the states fell into the category of little or no formal state-level relationships as of the summer of 1997, and only two states had fully integrated the two systems. However, the study emphasized that much of the responsibility for deciding the role of JTPA in welfare reform is maintained at the local level, and there may be greater levels of coordination than was evident in their state-level study.

Policy reports by the National Governors' Association (NGA) indicate that many states are involved in efforts to restructure the administration of workforce development programs and services provided. Moving ahead of the federal legislation, most states (39) have established consolidated state-level human resource investment councils (HRICs) to promote state-level coordination and collaboration among workforce programs and 20 states have also established local workforce boards. However, as found in the Urban Institute study, the NGA reports also indicate that high levels of coordination between the workforce and welfare system are less common. The most common activity of the workforce system in welfare reform is the provision of job search, job placement, and employer outreach activities for TANF recipients (occurring in 29 states). In most of these states, TANF funds are transferred to the employment and training agency through a contract. Higher levels of service coordination—such as using one-stop centers as the primary vehicles through which welfare recipients access employment-related services, occurred in nine states. NGA also found that the decision to contract with the workforce development agency is made at the local level, especially in states with county-administered welfare systems.

Pines and Callahan (1997) find some coordination between the workforce and welfare system; however, the coordination between these systems lagged behind service integration in the areas of school-to-work and one-stop shops. This study concludes that coordination was greater in these programs because the school-to-work and one-stop shops were specifically designed by federal sponsors to incorporate an integrated approach. The authors find that coordination occurs best when authority is devolved to the states but with either strong encouragement or a federal requirement for integrated planning and implementation.

Finally, one study (Elliott et al. 1998) used site visits to 13 states to identify major workforce development issues and gauge how their workforce programs were being affected by the newly enacted welfare legislation. This study found that states' workforce development systems were maintaining their own identity and, in most cases, remained administratively distinct from welfare-to-work programs operated through TANF. Substantively, however, workforce development was being driven by the principles of welfare reform with its strong emphasis on rapid employment. In discussions with state workforce officials, this study identified three major areas for the workforce system to address in order to assist the poor in becoming self-sufficient: engaging employers in the program, redesigning education and training programs to complement the work-first orientation, and providing post-employment services.

**Factors to Promote Coordination**

Compared to the past, the current environment may be more fertile for higher levels of service coordination between the welfare and workforce systems. First, given the new workforce development legislation, the two systems share more common goals. Both systems are more focused on rapid employment and must develop education and training and post-employment services within this work-oriented environment. Second, the workforce system—which had a mixed record on serving the most disadvantaged—will now be a key provider of services to this group through the Welfare-to-Work grants program. These circumstances could provide more opportunities for service coordination than we have seen in the past.

Several of the studies reviewed have identified factors that could foster service coordination. Most point out that these factors may promote, but do not necessarily guarantee, improved coordination.

**Federal level.** Strategies include: expanding efforts to document and communicate information about the benefits of coordination and support for these efforts; providing information on successful examples of coordination; providing technical assistance, guidance, and problem resolution; loosening restrictions that prevent blended funding; and setting an example by continuing coordination at the national and regional level.

**State level.** Strategies include: providing high-level support for coordination; strengthening statewide coordinating committees; providing localities with technical assistance and problem resolution; promoting the integration of automated systems; and providing for cross-training of
Local level. Strategies include: developing an understanding of the objectives and operations of other programs; increasing joint planning among local agencies; introducing cross-training of staff; and documenting and evaluating coordination efforts.

Finally, this literature review also indicates that service coordination in and of itself is not enough. Coordination efforts must achieve the goal of helping welfare recipients—particularly those who may face significant barriers to working—receive the services they need to obtain and keep employment.

References


Other Publications by the Authors

- Karin Martinson