

Contract No.: DEA-0699
MPR Reference No.: 8217-420

Second Assignments to Iowa's Limited Benefit Plan

August 1999

*Lucia A. Nixon
Jacqueline F. Kauff
Jan L. Losby*

*Survey Director: Martha D. Kovac
Project Director: Thomas M. Fraker*

Submitted to:

Iowa Department of Human Services
Division of Economic Assistance
Hoover State Office Building
Des Moines, IA 50319
State Welfare Reform Coordinator:
Ann M. Wiebers

Submitted by:

Mathematica Policy Research, Inc.
600 Maryland Avenue, S.W., Suite 550
Washington, D.C. 20024

Subcontractor:

Institute for Social and Economic
Development
1901 Broadway, Suite 313
Iowa City, IA 52240
Subcontract Director: John F. Else

ACKNOWLEDGMENTS

The study of second assignments to Iowa's Limited Benefit Plan was conducted by Mathematica Policy Research, Inc. (MPR) and the Institute for Social and Economic Development (ISED) under contract to the Iowa Department of Human Services (DHS). This study is one component of MPR's comprehensive evaluation of welfare reform in Iowa.

At DHS, Doug Howard, Administrator of the Division of Economic Assistance, provided overall guidance to the study. Ann Wiebers, State Welfare Reform Coordinator, arranged for us to have access to data from the state administrative systems. Ann Wiebers and Jennifer Beck responded to our questions and requests for information about Iowa's welfare policies, including the Limited Benefit Plan.

At MPR, Alan Hershey reviewed an earlier draft of this report and provided us with many helpful comments. Rita Stapulonis provided quality assurance of the client survey instrument. Jill Corcoran, Daniel O'Connor, and Anja Soldan provided research assistance for the analysis of data collected in the client survey and for the extraction and analysis of data from administrative records. Connie Blango prepared the manuscript for this report. At ISED, Kate Schaffer provided invaluable assistance in coordinating the transcription process, mailing letters to participants, and editing sections of the report.

We thank all of the above organizations and individuals for their important contributions to this study. We also thank the Iowa residents who participated in the client survey and the case-study interviews. Without their cooperation, this study would not have been possible.

TABLE OF CONTENTS

Chapter	Page
EXECUTIVE SUMMARY	vii
I. INTRODUCTION	1
A. Study Background and Motivation	1
B. Research Objectives	2
C. Data Sources	2
D. Key Study Findings in Brief	3
E. The Structure of this Report	4
II. ASSESSMENT OF LIMITED BENEFIT PLAN POLICY	5
A. Description of Current Policy	5
B. Assessment of Current Policy	6
C. Assessment of Pending Policy Changes	7
D. Summary of Policy Issues	8
III. WHO IS ASSIGNED TO A SECOND LIMITED BENEFIT PLAN?	9
A. How Common is LBP Recidivism?	9
B. Who Are LBP Recidivists?	10
C. Could DHS Identify Clients at Risk Of LBP Recidivism?	11
D. Summary of Policy Issues	12
IV. REASONS FOR ASSIGNMENT TO A SECOND LIMITED BENEFIT PLAN	15
A. Types of Noncompliance Leading to Second LBP Assignments	15
B. Immediate Reasons for Noncompliance	16
C. Clients' Barriers to Compliance	19
D. Fundamental Problems Contributing to Noncompliance	24
E. Summary of Policy Issues	25

CONTENTS (*continued*)

Chapter		Page
V.	THE ECONOMIC STATUS OF CLIENTS IN A SECOND LIMITED BENEFIT PLAN	27
	A. Employment	28
	B. Government Assistance	30
	C. Household Income	31
	D. Support from Social Networks	32
	E. Support from Community Agencies	34
	F. Future Outlook	35
	G. Summary of Policy Issues	35
VI.	EXPERIENCES WITH THE LIMITED BENEFIT PLAN: CLIENTS' PERSONAL STORIES	37
	A. Beth	37
	B. Carla	39
	C. Cindy	40
	D. Tammy	42
	E. Alice	43
	F. Nancy	44
VII.	CONCLUSIONS	47
	A. Findings from the Study of Second Assignments to the LBP	47
	B. Policy Implications for Iowa and Other States	48
	APPENDIX A: STUDY METHODOLOGY	
	APPENDIX B: LBP POLICY	
	APPENDIX C: TABLES OF STUDY RESULTS	

EXECUTIVE SUMMARY

In 1993, Iowa implemented a comprehensive set of welfare reforms that replaced Aid to Families with Dependent Children (AFDC) with the Family Investment Program (FIP). In 1996, FIP became Iowa's Temporary Assistance for Needy Families (TANF) program. A key component of FIP is the requirement that able-bodied adults participate in PROMISE JOBS, the state's employment and training program for welfare recipients. If those clients do not comply with PROMISE JOBS requirements, their FIP cases are assigned to the Limited Benefit Plan (LBP), a short-term plan that restricts eligibility for FIP cash assistance.

A first assignment to the LBP entails three months of reduced FIP cash assistance followed by six months of *no* cash assistance, after which clients may reapply for FIP. Under certain conditions, clients may reconsider and terminate their first LBP assignment by coming into compliance. Any client who resumes the receipt of FIP cash assistance following a first LBP is again subject to PROMISE JOBS requirements. These requirements take effect when the client reconsiders or is reapproved for FIP cash assistance. Subsequent failure to comply with PROMISE JOBS requirements results in a second assignment to the LBP, which consists of six months of *no* cash assistance, with no preceding period of reduced cash assistance. Clients who are assigned to the LBP for a second time are not given the opportunity to reconsider that assignment.

This report presents findings from a study of second assignments to the LBP conducted by Mathematica Policy Research, Inc. (MPR) and the Institute for Social and Economic Development (ISED) for the Iowa Department of Human Services (DHS). It provides a comprehensive assessment of second LBP assignments—including how often they occur, who they affect, why they occur, and their policy implications.

ORIGIN OF THE STUDY

This study follows up and complements a May 1997 study by MPR and ISED that examined FIP clients experiencing a period of no cash assistance under a first LBP assignment (first LBP study). The principal objective of that study was to improve DHS's understanding of first LBP clients, with an emphasis on their financial status and coping strategies during the six-month period of no cash assistance.

Around the time the first LBP study was completed, DHS began seeing a growing number of FIP clients who were being assigned to the LBP for a second time. DHS wanted to improve its understanding of this phenomenon. The agency was particularly interested in learning who was being assigned to a second LBP and how and why. To answer these questions, DHS applied for and received a grant from the Administration for Children and Families, U.S. Department of Health and Human Services to conduct a study of second

assignments to the LBP (second LBP study). DHS amended its contract with MPR and ISED to design and carry out the study. While the second LBP study was in progress, DHS also took steps to address the issue of LBP recidivism—that is, repeat assignments to the LBP—by making changes to LBP policy. Under the new policy, a first LBP will consist of an indefinite period of ineligibility for FIP lasting until the client reapplies for FIP and signs an agreement with DHS outlining steps that each will take to move the client toward independence from FIP. A second LBP will consist of a minimum six month ineligibility period after which a client must reapply for FIP, sign an agreement with DHS, and participate in PROMISE JOBS for 20 hours before benefits may resume. These changes took effect in June 1999, but are referred to here as “pending” since they were implemented after the research period for this study.

RESEARCH OBJECTIVES AND DATA

The broad objective of this study is to better understand FIP clients who have been twice assigned to the LBP, with an emphasis on the factors and circumstances that resulted in their second assignment. The study’s broad objective encompasses four key research questions:

1. ***Do LBP policies inadvertently facilitate cycling on and off the LBP?*** Are there weaknesses in current LBP policy, and will pending policy changes address any identified weaknesses?
2. ***Is LBP recidivism common enough to warrant attention by DHS?*** How many FIP clients are assigned to a second LBP, what are their common characteristics, and could DHS identify them in advance?
3. ***Why do second LBP assignments occur?*** What types of noncompliance precipitate second LBPs, what are clients’ reasons for noncompliance, and what are their immediate and underlying barriers to compliance?
4. ***What is the economic status of clients during a second LBP?*** To what extent do clients in a second LBP struggle to make ends meet, and how well are they coping during a second LBP?

To respond to these research questions, the second LBP study relies on data from three sources: (1) a client survey; (2) administrative records; and (3) case-study interviews. First, a statewide telephone survey of 185 randomly selected clients who entered a second LBP in March, April, or May 1998 provides information on the characteristics of second LBP clients, the reasons for assignment to the second LBP, and their current economic status. The response rate for this survey was 76 percent. Second, records from Iowa’s administrative systems provide individual- and case-level information on clients, including program status, benefit amounts, and LBP activity. These data are used to document the program experiences

of the 185 survey respondents and to track a cohort of 2,818 clients assigned to a first LBP between March and August 1996, some of whom subsequently returned to FIP and were assigned to a second LBP. Third, case-study interviews with 12 purposefully selected respondents to the telephone survey provide in-depth qualitative information on the experiences and circumstances of second LBP clients. Case-study participants were selected on the basis of demographic characteristics, interest in a follow-up interview, and telephone interviewer ratings of data quality.

KEY FINDINGS

The results from the study of second assignments to the LBP provide valuable information regarding clients who repeatedly fail to comply with welfare program requirements. The key findings discussed here respond to each of the research questions.

Assessment of LBP Policy. Current LBP policy has three points of vulnerability that enable FIP clients to benefit financially from cycling on and off FIP and the LBP:

- First, contact with PROMISE JOBS is *not* a prerequisite for resumption of FIP cash assistance after the end of a first LBP. Rather, contact and compliance with PROMISE JOBS is required only after a FIP application is filed and approved.
- Second, after PROMISE JOBS requirements take effect for clients returning to FIP after a first LBP, clients report that there are delays between their act of noncompliance and PROMISE JOBS' response.
- Third, even after noncompliance is detected, the onset of a second LBP may be delayed due to the LBP review process (for clients with self-sufficiency plans in place) or other administrative procedures.

These points imply that former LBP clients who return to FIP may temporarily receive cash assistance while not meeting PROMISE JOBS participation requirements. MPR believes that pending policy changes should eliminate some of these vulnerabilities by requiring LBP clients to comply with PROMISE JOBS *before* they can return to FIP.

The Incidence of LBP Recidivism. This incidence of LBP recidivism is not trivial. This study shows that about one-quarter of all FIP clients assigned to a first LBP ultimately enter a second LBP. Pending LBP policy changes may reduce LBP recidivism through stricter rules that will require clients to comply with PROMISE JOBS employment and training activities prior to reapproval of a FIP application. Depending on the outcome of these policy changes, further steps may be desired to reduce repeat assignments to the LBP. This study suggests that it would be difficult to identify those first LBP clients who are more at-risk of a second LBP than other first LBP clients. Therefore, it may be most practical to focus any

future efforts to prevent repeat LBP assignments on all clients who return to FIP after a first LBP.

Why Second LBP Assignments Occur. Most clients are assigned to a second LBP because of noncompliance with required appointments at PROMISE JOBS. Clients who failed to arrange an initial PROMISE JOBS appointment most often cited a breakdown in communications between themselves and PROMISE JOBS as the reason for that failure. In contrast, clients who failed to *keep* a scheduled appointment with PROMISE JOBS most often cited personal and family circumstances, such as transportation problems, work and school schedule conflicts, and child care problems. This study suggests that beneath these immediate reasons for noncompliance, clients often have more fundamental barriers to compliance such as low self-esteem, poor problem-solving skills, or the unwillingness to make employment a priority in their lives. This implies that in order to prevent noncompliance, clients and staff need to work together to identify and address not only immediate barriers but also more fundamental barriers.

The Economic Status of Clients During a Second LBP. While some clients experienced a decline in their standard of living after entering a second LBP, most experienced an increase or no change. The fact that some FIP clients enter a second LBP implies that they have repeatedly failed to gather the resources to develop and carry out plans for meeting PROMISE JOBS requirements. Nonetheless, once in a second LBP, it appears that most of these clients are able to gather the resources to make ends meet. Clients were more likely to be employed after entering a second LBP than before, and average total household income was higher after entering a second LBP than before. However, a substantial minority of clients (one-third) experienced a decrease in household income after entering a second LBP. To help make ends meet, clients increased their reliance on social networks for access to a telephone, transportation, children's things, a place to stay, money, and food or meals. Continued access to government assistance, particularly Food Stamps and Medicaid, was also important to clients in a second LBP.

POLICY IMPLICATIONS

While the study of second assignments to the LBP is set in the context of Iowa and its TANF program, it highlights two key issues confronting welfare policymakers nationwide. First, it highlights the logistical conflicts that some employed clients face as they attempt to work and fulfill program requirements while making the transition from welfare to work. Second, it highlights the fundamental barriers to compliance with TANF work requirements faced by other, often unemployed, clients. As more TANF clients obtain employment, it will be important for states to support their transition from welfare to work. It will also be important for states to help unemployed TANF clients obtain the necessary skills and resources to move toward self-sufficiency, particularly as time limits on cash assistance draw near.

I. INTRODUCTION

Iowa implemented a comprehensive package of welfare reforms on October 1, 1993. These reforms replaced Aid to Families with Dependent Children (AFDC) with the Family Investment Program (FIP). With the subsequent passage of federal welfare reform in 1996, FIP became Iowa's Temporary Assistance for Needy Families (TANF) program. A central element of FIP is the requirement that able-bodied adult clients participate in PROMISE JOBS, the state's employment and training program for welfare recipients. As part of that participation, FIP clients are required to develop and carry out individual plans for achieving self-sufficiency called Family Investment Agreements (FIAs). Clients who fail to comply with PROMISE JOBS and FIA requirements are assigned to a Limited Benefit Plan (LBP), a short-term plan that restricts eligibility for cash assistance.

Under current policy, a first assignment to an LBP has a duration of nine months—three months of reduced cash assistance followed by six months of *no* cash assistance for the entire FIP case. At the end of nine months, the LBP ends and clients are eligible to reapply for FIP cash assistance. Under certain circumstances, clients in a first LBP may opt to reconsider with PROMISE JOBS and terminate their LBP assignment. Any first LBP client who returns to FIP—through reconsideration or subsequent reapplication—faces the same PROMISE JOBS and FIA requirements as before. Failure to comply with these requirements results in another LBP assignment. A second (or any subsequent) LBP assignment consists of six months of *no* cash assistance with *no* reconsideration opportunities. This study explores second LBP assignments—how often they occur, who they affect, why they occur and their policy implications.

A. STUDY BACKGROUND AND MOTIVATION

This report presents findings from a study of second assignments to the LBP conducted by Mathematica Policy Research, Inc. (MPR) and the Institute for Social and Economic Development (ISED) for the Iowa Department of Human Services (DHS). The study follows up and complements a May 1997 study by MPR and ISED that examined FIP clients experiencing a period of no cash assistance under a first LBP assignment (first LBP study). The principal objective of the earlier study was to improve DHS's understanding of first LBP clients, particularly their status and coping strategies during the period of no cash assistance.

Around the time the first LBP study was completed, DHS was becoming aware of a growing number of FIP clients who were being assigned to the LBP for a second (or third or fourth) time. DHS wanted to improve its understanding of this phenomenon. The agency was particularly interested in learning who was being assigned to a second LBP, why clients were returning to the LBP, and what could be done to reduce LBP recidivism—that is, repeat assignments to the LBP. To answer these questions, DHS applied for and received a grant

from the Administration for Children and Families, U.S. Department of Health and Human Services to conduct a study of second assignments to the LBP (second LBP study). While this study was in progress, DHS also took steps to address LBP recidivism by making changes to the LBP. These changes took effect in June 1999, but are referred to as “pending” throughout this report since they were implemented after the research period for this study.

B. RESEARCH OBJECTIVES

The broad objective of the second LBP study is to better understand FIP clients who have been twice assigned to the LBP, with a focus on the underlying processes leading to second assignments. This information may help policymakers in Iowa and other states craft well-informed policies and strategies to deal with clients who repeatedly fail to comply with self-sufficiency requirements. The study’s broad objective encompasses four types of research questions, which are described below.

Research Questions in the Second LBP Study

1. ***Do LBP policies inadvertently facilitate cycling on and off the LBP?*** Are there weaknesses in current LBP policy and will pending policy changes address any identified weaknesses?
2. ***Is LBP recidivism common enough to warrant attention by DHS?*** How many FIP clients are assigned to a second LBP, what are their common characteristics, and could DHS identify them in advance?
3. ***Why do second LBP assignments occur?*** What types of noncompliance precipitate second LBPs, what are clients’ reasons for noncompliance, and what are their most critical barriers to compliance?
4. ***What is the economic status of clients after entering a second LBP?*** To what extent do clients in a second LBP struggle to make ends meet , and how well are they coping during a second LBP?

C. DATA SOURCES

To develop a comprehensive analysis that is responsive to the research questions, the second LBP study relies on both quantitative and qualitative data. These data come from three sources: (1) a client survey; (2) administrative records; and (3) case-study interviews.¹

¹ A more detailed description of each data source is provided in Appendix A.

A telephone survey of 185 FIP clients who entered a second LBP in March, April, or May 1998, provides information on the personal and family characteristics of second LBP clients, the circumstances that led to their second LBP, and their current economic status. We identified clients for the survey using state administrative records on LBP assignments. The survey data are used to develop a fundamental picture of second LBP clients—who they are, why they entered a second LBP, and how they are faring several months later.

Records from Iowa’s administrative systems provide individual- and case-level information on clients, including program status, benefit amounts, LBP activity, and basic demographic characteristics. We use administrative data in three ways:

1. To document the program experiences of the 185 clients in our survey
2. To determine the extent of LBP recidivism (repeat LBP assignments)
3. To assess the feasibility of identifying clients most likely to enter a second LBP

For (2) and (3), we examine data for a cohort of 2,818 clients assigned to a first LBP in March through August 1996, some of whom subsequently returned to FIP and were reassigned to the LBP.

In-person case-study interviews with 12 purposefully selected survey respondents provide in-depth qualitative information on second LBP clients. The case-study participants were selected to include a diverse group of individuals representing rural and urban communities, single parent and two-parent families, and families with and without young children. They were also selected based on their level of interest in participating in an in-person interview and the quality of the survey interview as rated by the interviewer. The case-study data add richness and depth to our understanding from the client survey of the circumstances and experiences of clients who return to the LBP. The case-study interview data are also used to tell the personal stories of second LBP clients.

D. KEY STUDY FINDINGS IN BRIEF

This section highlights key findings from the study of second assignments to Iowa’s Limited Benefit Plan. Each key finding described below responds to one of the study’s research questions.

- Current LBP policy has several points of vulnerability that enable FIP clients to benefit financially from cycling on and off FIP and the LBP. MPR believes that pending LBP policy changes should eliminate some, but not all, of these points of vulnerability.

- About one-quarter of all FIP clients assigned to a first LBP ultimately enter a second LBP. It would be difficult for DHS to identify, on the basis of readily available data, which clients assigned to a first LBP are more at risk of entering a second LBP than others.
- Most second assignments to the LBP result from client noncompliance with required appointments at PROMISE JOBS. Second LBP clients most often cite a personal or family circumstance as the immediate reason for their noncompliance. However, beneath the immediate reasons often lie more fundamental barriers, such as poor communication and problem-solving skills.
- The fact that some FIP clients enter a second LBP implies that they have repeatedly failed to gather the resources to develop and carry out an FIA. Nonetheless, once in a second LBP, it appears that most of these clients are able to gather the resources to make ends meet by increasing their reliance on employment, other government assistance, and social support networks.

E. THE STRUCTURE OF THIS REPORT

This report is organized into seven chapters. The four chapters following this introductory chapter, Chapters II to V, each address one of the study's four central research questions (see Section B above). Chapter VI presents and discusses the personal stories of a small number of second LBP clients. Finally, Chapter VII discusses the key lessons and policy implications of the study.

II. ASSESSMENT OF LIMITED BENEFIT PLAN POLICY

In February 1996, Iowa redesigned its Limited Benefit Plan to impose swifter and stricter consequences for noncompliance with PROMISE JOBS and FIA requirements. An important goal of this redesign of the original LBP was to send a stronger message to clients regarding the state's philosophy of personal responsibility with consequences. By raising the stakes for noncompliance, the state sought to provide greater incentives for FIP clients to take personal responsibility for moving toward self-sufficiency. The 1996 redesign is Iowa's current LBP policy. This chapter describes the key features of the current policy, examines whether clients can benefit financially from cycling on and off FIP and the LBP, and describes pending changes in LBP policy.

A. DESCRIPTION OF CURRENT POLICY

This section describes current LBP policy and the sequence of events that may lead from a first to a second LBP assignment. Once approved for FIP, DHS determines whether a client is PROMISE JOBS mandatory or exempt. Mandatory clients are referred to PROMISE JOBS where they are required to develop and carry out an individual self-sufficiency plan called the FIA. The FIA outlines the client's interim and long-term goals, identifies and addresses barriers to achieving goals, specifies employment and training activities required to reach those goals, and spells out the responsibilities of the client and the state. DHS initiates contact with mandatory clients by sending a letter stating that they must contact PROMISE JOBS within 10 days to schedule an appointment for orientation, the first step in the FIA process.

A mandatory client who fails to complete the steps necessary to develop and sign an FIA and fails to respond to written reminders from PROMISE JOBS is assigned to an LBP by PROMISE JOBS (this is referred to as a "pre-FIA" LBP, since an FIA is not in place prior to the assignment). A mandatory client who signs an FIA but then fails to follow through with the terms of the FIA and fails to respond to written reminders from PROMISE JOBS is referred to the state DHS office for the state review process regarding an LBP (this is referred to as a "post-FIA" LBP, since an FIA is in place).

Under current policy, a first LBP consists of three months of reduced cash assistance followed by six months of no cash assistance for the entire FIP case. Clients can return to FIP after assignment to a first LBP in either of two ways. First, some LBP clients can return to FIP by reconsidering within the initial three months—the reduced benefit period—of a first LBP. The option to reconsider is available only to clients in a pre-FIA LBP. The reconsideration process begins when a pre-FIA client contacts a DHS or PROMISE JOBS worker to express willingness to comply and ends when the client completes and signs an

FIA. Once the FIA is signed, FIP cash assistance can resume retroactive to the seventh day after the client requested reconsideration of the LBP.

The second way clients can return to FIP after assignment to a first LBP is through reapplication for cash assistance after the end of the LBP. This option is available to clients who do not have the right to reconsider—that is, clients in a post-FIA LBP—and to clients who have the right to reconsider but do not exercise that right during the reduced benefit period. Return to FIP after the end of a first LBP does not require contact or compliance with PROMISE JOBS until after the client’s reapplication to FIP has been filed and approved. At that point, just as with an initial FIP application (see above), DHS sends a letter stating that the client must contact PROMISE JOBS within 10 days to schedule orientation.

First LBP clients who return to FIP through reconsideration or reapplication but then fail to comply with PROMISE JOBS requirements are at-risk of assignment to a second LBP. The PROMISE JOBS process for reminder notification and assignment to a second LBP is similar to the process for a first LBP, which is described above. A second LBP assignment, however, is more immediate and less flexible than a first LBP. In particular, under current policy, a second LBP consists of six months of no cash assistance, and there is no reconsideration option for any client assigned to a second LBP.

B. ASSESSMENT OF CURRENT POLICY

When DHS introduced current LBP policies in 1996, the agency expected that the swifter and stricter consequences for noncompliance embodied in these policies would strongly discourage LBP recidivism. These expectations, however, were not completely borne out. This led to some concern at DHS that current policies were inadvertently providing incentives for clients to cycle on and off of FIP and the LBP. An assessment of current LBP policies confirms DHS’s concern, and identifies the following three specific points of vulnerability:

1. Contact with PROMISE JOBS is *not* a prerequisite for resumption of FIP cash assistance after the end of a first LBP. Rather, contact is required only after a FIP application is filed and approved.
2. Even after PROMISE JOBS requirements take effect for clients returning to FIP after an LBP, clients report that there are delays between their act of noncompliance and PROMISE JOBS’ response.
3. Even after noncompliance is detected, there may be a delay before the onset of a second LBP. Such a delay can arise from the LBP review process (for clients with an FIA in place) and other administrative procedures.

All three points imply that former LBP clients who return to FIP may temporarily receive cash assistance while not meeting PROMISE JOBS participation requirements. These points illustrate the potential for clients to benefit financially from cycling on and off FIP and the LBP. It is possible that some clients are aware of these benefits and are cycling on and off FIP and the LBP intentionally.

C. ASSESSMENT OF PENDING POLICY CHANGES

To reinforce further the importance of personal responsibility with consequences, DHS recently revised its LBP policies. The revised policies took effect in June 1999, but are referred to here as “pending” since they were implemented after the research period for this study. This section describes the pending LBP policy changes and their implications for LBP recidivism.¹ By design, the pending changes will tighten LBP policies. However, they may not eliminate all points of vulnerability that currently exist.

Under pending policy changes, a first LBP will consist of an indefinite period of ineligibility for FIP lasting until the client reapplies for FIP and signs an FIA. Once these requirements are met, eligibility for FIP can resume retroactive to the date the FIA was signed or the seventh day after the client reapplied for FIP, whichever is later. A second (or subsequent) LBP will consist of a period of ineligibility for FIP lasting a minimum of six months, after which ineligibility will continue until the client reapplies for FIP, signs an FIA, and completes 20 hours of participation in a PROMISE JOBS employment and training activity. Once these requirements are met, eligibility for FIP can resume retroactive to the date the FIA was signed, or the seventh day after the client reapplied for FIP, or the first day after the six month period ends, whichever is later.

MPR believes that the pending policy changes may help prevent LBP assignments in the future. By requiring first LBP clients to develop and sign an FIA before they can resume receiving FIP cash assistance, the pending changes should prevent those who are unwilling to come into compliance from re-entering the program. Also, by making it more challenging for individuals to return to FIP after being assigned to an LBP, the pending changes should increase the incentives for FIP clients to avoid entering the LBP in the first place. The pending policy changes may also reduce the delay between the detection of noncompliance and the onset of the second LBP (the third point of vulnerability). The changes will shift the responsibility for the LBP review process from DHS to PROMISE JOBS’s parent agency, Iowa Workforce Development (IWD). This could potentially speed the LBP review and assignment process by keeping it within a single agency.

¹A more detailed description of the new policies is provided in Appendix B.

D. SUMMARY OF POLICY ISSUES

An unintended reality of current policy is that it may allow former LBP clients to receive FIP cash assistance for some period of time while not fulfilling PROMISE JOBS and FIA requirements. This arises from three points of vulnerability in current policy:

1. Compliance is not a prerequisite for return to FIP after the end of an LBP.
2. Clients report that there are delays between their failure to comply and response by PROMISE JOBS.
3. There may be a lag between detected noncompliance and the onset of an LBP due to administrative procedures.

MPR expects that the pending LBP policy changes should eliminate the first point of vulnerability and may also moderate the third point. Consequently, it is important to consider the results of this study in the context of both the current and pending LBP policy environments.

III. WHO IS ASSIGNED TO A SECOND LIMITED BENEFIT PLAN?

After current policy changes went into effect in 1996, officials at Iowa DHS began to observe a higher than anticipated incidence of LBP recidivism—that is, repeat assignments to the LBP. This phenomenon was of concern to DHS in part because it suggests that LBP policy, even as modified by the 1996 redesign, appears not to be succeeding in deterring some individuals from noncompliance with PROMISE JOBS requirements. DHS decided to pursue this study to further its understanding of LBP recidivism and to inform future policy development. While this study was in progress, DHS also took steps to address some of its concerns by making changes to the LBP. These changes took effect in June 1999. This chapter addresses three important questions regarding second LBPs:

1. *How common is LBP recidivism?* Does it occur frequently enough to warrant a policy response?
2. *Who are LBP recidivists?* What are the common characteristics of FIP clients who repeatedly enter the LBP?
3. *Could DHS identify clients at risk of LBP recidivism in advance?* Could at-risk clients be identified and targeted for preventative services?

To answer these questions, this chapter uses data from Iowa’s administrative records and from the survey of second LBP clients. The administrative data represents all 2,818 FIP clients who entered a first LBP between March and August 1996, some of whom subsequently returned to FIP and were assigned to a second LBP. The survey data represents a random sample of FIP clients statewide who entered a second LBP in March, April, or May 1998. The response rate for this survey was 76 percent.

A. HOW COMMON IS LBP RECIDIVISM?

Whether or not LBP recidivism warrants a policy response depends in large part on how common it is. This study produced the following evidence on the frequency of second LBPs:

- An average of 91 families entered a second LBP each month during the survey sample period (March through May 1998).¹ During the corresponding state fiscal year (July 1997-June 1998), there was an average of 26,084 families on the FIP caseload each month.

¹A minority of LBP assignments are subsequently lifted due to cancellation or appeal.

- For just over half of all clients (53 percent), the time between first and second LBP assignments is more than two years.
- LBP recidivism occurs for approximately one-fourth of all first LBP clients.

We estimated the incidence of LBP recidivism in a multi-step process. First, we used administrative data to calculate the rate of entry into a second LBP within a fixed follow-up period among all clients entering a first LBP. For this calculation we had 20 months of follow-up data available, including month one of the first LBP. This meant that we could compute the rate of entry into a second LBP within 20 months of the starting month of the first LBP. We found that 9 percent of all clients entering a first LBP went on to enter a second LBP within 20 months. We knew that 9 percent represented only a fraction of first LBP clients who would ultimately enter a second LBP. To compute the value of this fraction, we turned to the 185 respondents in the second LBP survey. These clients represent a random sample of all clients entering a second LBP within a three-month period in spring 1998. Using administrative records on the dates of first and second LBP assignments for these clients, we determined the fraction of second LBP assignments that had occurred within 20 months of the start of the first assignment. It was approximately one-third (34 percent). This implied that approximately three times as many second LBP assignments as occurred within 20 months would ultimately occur. Hence, we estimated that 27 percent (9 percent multiplied by three) of first LBP assignments ultimately result in second assignments.

This suggests that the incidence of LBP recidivism is not trivial. Although DHS has already given this issue some attention, as evidenced by the pending LBP policy changes, the incidence of LBP recidivism may be high enough to warrant further consideration.

B. WHO ARE LBP RECIDIVISTS?

To develop effective policies to address LBP recidivism, it is important to understand the common characteristics of second LBP clients and their families. Here we provide a brief description of the characteristics of typical second LBP clients using data from the client survey. Characteristics were measured at the time of the survey interview.

The typical second LBP client is a 20 to 39 year old, white, unmarried female, who has obtained a high school diploma or GED. On average, the households of second LBP clients contain a total of four people, including the client. Just over one-third (34 percent) of second LBP clients have one child, and just under one-third have two children (32 percent). Nearly one-half (47 percent) have a child under the age of three years. The average FIP benefit received by survey respondents in the month prior to the second LBP is \$348. This is about \$20 higher than the average benefit for all FIP clients (\$327) on the caseload as of July 1998.

C. COULD DHS IDENTIFY CLIENTS AT RISK OF LBP RECIDIVISM?

Depending on the outcome of the pending LBP policy changes, further steps may be desired to reduce repeat assignments to the LBP. It would be most efficient for DHS to focus, or target, any such efforts on the FIP clients most likely to enter second LBPs. To what extent could DHS identify clients at risk of entering a second LBP? An analysis of administrative data on 2,818 clients with a first LBP leads us to conclude the following:

- DHS could identify a broad group of clients—those returning to FIP after a first LBP—who are at risk of LBP recidivism.
- However, it would be difficult for DHS to identify a narrower group of clients who are more at risk of LBP recidivism among those returning to FIP after a first LBP.

The first conclusion is based on the simple observation that assignment to a first LBP and subsequent return to FIP are two prerequisites for assignment to a second LBP. Identifying this group could be done with information readily available to DHS. Clearly, the group of clients returning to FIP after a first LBP is not as narrow a group as would be desired for targeting services. However, the rate of LBP recidivism among this relatively broad group is large enough that DHS may want to consider providing additional services to or working more intensely with all of these clients.

The second conclusion is based on a comparison of clients in our administrative data sample who did and did not enter a second LBP. Of the 2,818 first LBP clients we tracked for 20 months, we identified 1,717 who returned to FIP and, within that group, compared the 259 who received a second LBP to the 1,458 who did not.² Then we compared these groups using information that is readily available in DHS administrative data files and could be used by DHS to identify clients at greater risk of LBP recidivism. We compared means and distributions of client and case characteristics, including measures of FIP and LBP program experiences (see Exhibit III.1).

²It is important to note that some clients will return to FIP more than 20 months after entry into a first LBP, and, of those who return to FIP sooner than 20 months, some will enter a second LBP more than 20 months after entry into a first LBP. The group of second LBP clients used here, therefore, is not inclusive of all clients who ultimately enter a second LBP.

**Exhibit III.1
Characteristics of Clients
who Returned to FIP After a First LBP**

	Returned to FIP and Entered a Second LBP	Returned to FIP and Did Not Enter a Second LBP
Individual Characteristics		
Female	78%	80%
White	81%	83%
High school graduate	53%	52%
Never married	61%	57%
Under 20 years old	13%	12%
Case Characteristics		
Includes child 0-3 years old	56%	49%
Average number of persons	4	4
Benefit amount pre-first LBP	\$363	\$347
Average FIP cash grant	\$338	\$215
Average Food Stamps		
Average months on FIP within 20 months of first LBP	11	11
Characteristics of first LBP		
Pre-FIA	90%	90%
Terminated by signing FIA	54%	56%

Source: DHS Administrative Records for 1,717 cases that returned to FIP after first LBP

This comparison revealed that DHS could not easily identify likely candidates for a second LBP from among first LBP clients returning to FIP. Across all characteristics we measured, there were only slight differences between cases that did and did not receive second LBP assignments. None of the differences were large enough to be useful for DHS in identifying likely LBP recidivists. However, this does not imply that LBP recidivists are no different from other LBP clients—it only means that the two groups cannot be distinguished through demographic and FIP data readily available to DHS.

D. SUMMARY OF POLICY ISSUES

The incidence of LBP recidivism is not trivial. About one-quarter of all clients assigned to a first LBP ultimately will be assigned to a second LBP. Pending policy changes may reduce LBP recidivism—that is, repeat assignments to the LBP—through stricter rules that

will require compliance with PROMISE JOBS activities prior to approval of the FIP application. Depending on the outcome, further policy action may be desired to augment these efforts. This study suggests that it would be difficult to identify which first LBP clients are more at-risk of a second LBP than others. Therefore, it may be most practical to target any future efforts to prevent repeat LBP assignments on all clients returning to FIP after a first LBP.

IV. REASONS FOR ASSIGNMENT TO A SECOND LIMITED BENEFIT PLAN

Understanding the processes and circumstances that lead FIP clients to enter a second LBP is one of the main objectives of this study. This chapter explores how and why clients enter second LBP assignments in the current policy environment and considers the findings in light of pending LBP policy changes. The analysis is based largely on data provided by clients themselves both in the telephone survey and in the in-person case-study interviews. The survey and case-study data are augmented with data from state administrative records.

This chapter is organized into five main sections. Section A examines the types of noncompliance that result in assignments to a second LBP—how did second LBP clients fail to fulfill the requirement to develop and carry out an FIA? Section B explores the immediate reason for the act of noncompliance from the clients' perspective—what was the circumstance or problem that prevented compliance with the given requirement? Section C expands this exploration by examining more generally the extent and nature of barriers to client compliance, again from the clients' perspective. Section D steps back from the clients' reports to consider the fundamental issues that may be the root causes of client noncompliance. Finally, Section E summarizes policy issues.

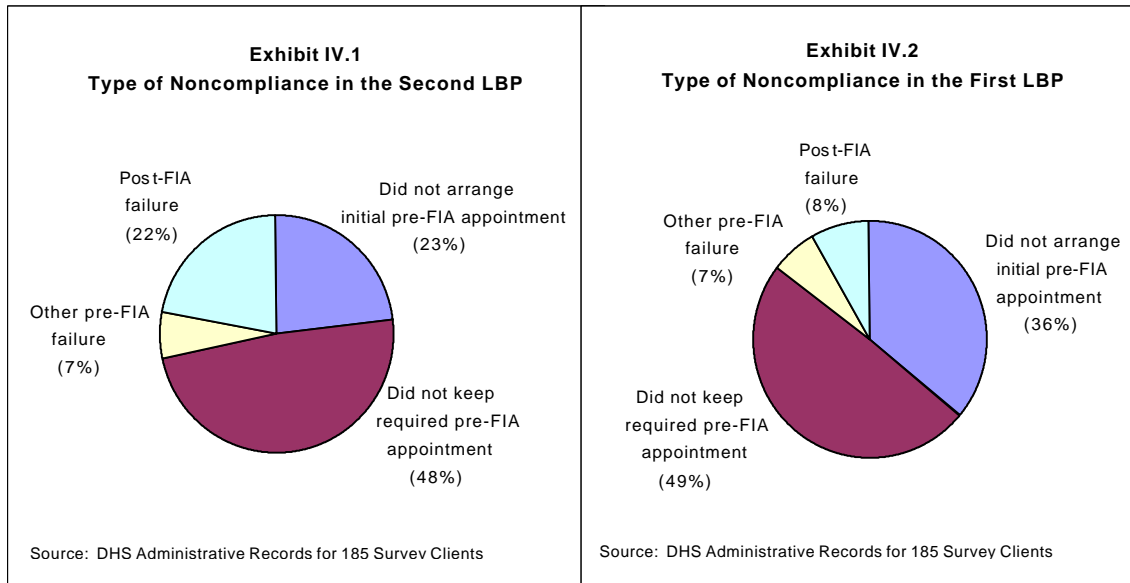
A. TYPES OF NONCOMPLIANCE LEADING TO SECOND LBP ASSIGNMENTS

As described in Chapters I and II of this report, FIP clients are assigned to the LBP for failure to comply with some aspect of the requirement to develop a self-sufficiency plan—known as an FIA—and carry out that plan under the auspices of PROMISE JOBS. This section uses data from administrative records to document the types of client noncompliance that most often lead to second LBP assignments.

Under current policy, clients who return to FIP following a first LBP assignment are required to contact PROMISE JOBS within 10 days of approval of their FIP application to arrange an orientation appointment. Arranging this initial appointment is the first specific PROMISE JOBS requirement that must be fulfilled. Other specific requirements include attending the orientation appointment; completing an assessment; attending subsequent appointments to develop and sign an FIA; participating in activities specified in the FIA; and attending follow-up appointments with a caseworker to monitor progress, resolve barriers, or make adjustments to the FIA. Aside from the initial appointment, which the client must arrange, the other appointments and activities are typically scheduled by PROMISE JOBS staff who then inform clients in writing of the scheduled date and time.

Failure to arrange the initial appointment accounts for nearly one-quarter of second LBP assignments, and failure to attend a scheduled appointment accounts for nearly half of second

assignments (Exhibit IV.1).¹ Together these two types of noncompliance account for over 70 percent of second LBP assignments. Further, they account for 85 percent of these clients’ first LBP assignments (Exhibit IV.2). Given the ongoing significance of these two types of noncompliance, we will focus additional attention on them later in this chapter.



Among all clients assigned to a second LBP for failure to keep a scheduled appointment at PROMISE JOBS, some likely had input in the scheduling of that appointment and others likely did not. Under current policy, PROMISE JOBS staff are advised to schedule appointments with clients at times that accommodate clients’ circumstances, including work schedules, “to the extent possible.” This policy implies that caseworkers have some discretion over the degree to which they consult clients in scheduling appointments as well as how often they allow clients to reschedule appointments.

B. IMMEDIATE REASONS FOR NONCOMPLIANCE

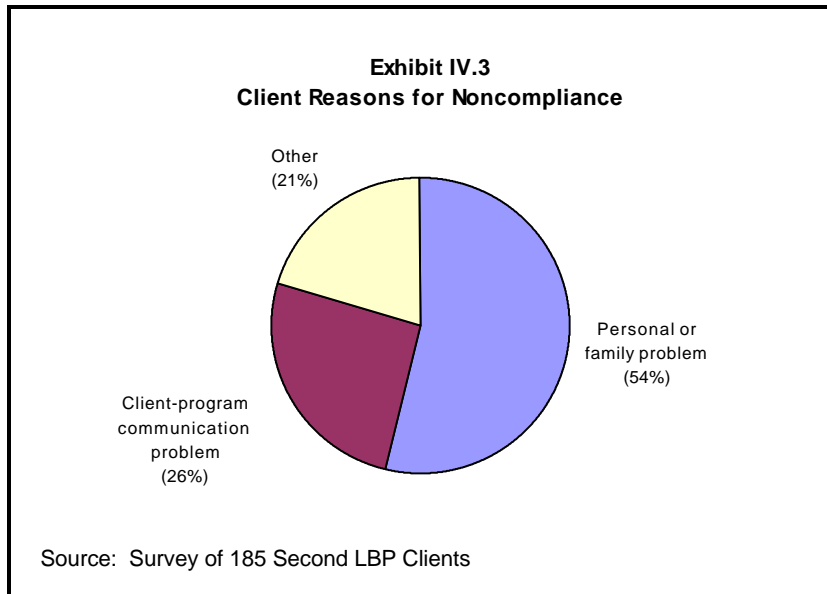
This section relies on data from the client survey to explore the immediate reason—that is, the specific problem or circumstance—clients cite to explain their noncompliance with PROMISE JOBS. Below, we examine the immediate reason for noncompliance across all types of noncompliance and then separately for the two most common types—failure to arrange the initial appointment and failure to attend a scheduled appointment.

¹These findings are not surprising as similar results were observed in the first LBP study MPR conducted for Iowa DHS in May, 1997.

1. Most Common Reasons for Noncompliance

More than half of second LBP clients (54 percent) cited a personal or family problem as the immediate reason for their noncompliance with PROMISE JOBS (see Exhibit IV.3). The five most commonly cited personal or family problems, in order of frequency, were as follows:

1. Transportation problem (15 percent)
2. Work or school schedule conflict (11 percent)
3. Child care problem (8 percent)
4. Family member's health problem (7 percent)
5. Own health problem (7 percent)



Approximately one-quarter of second LBP clients (26 percent) cited an information or communication problem as the immediate reason for their noncompliance. The three most commonly cited information or communication problems, in order of frequency, were:

1. Failure to receive DHS notice of PROMISE JOBS requirements (7 percent)

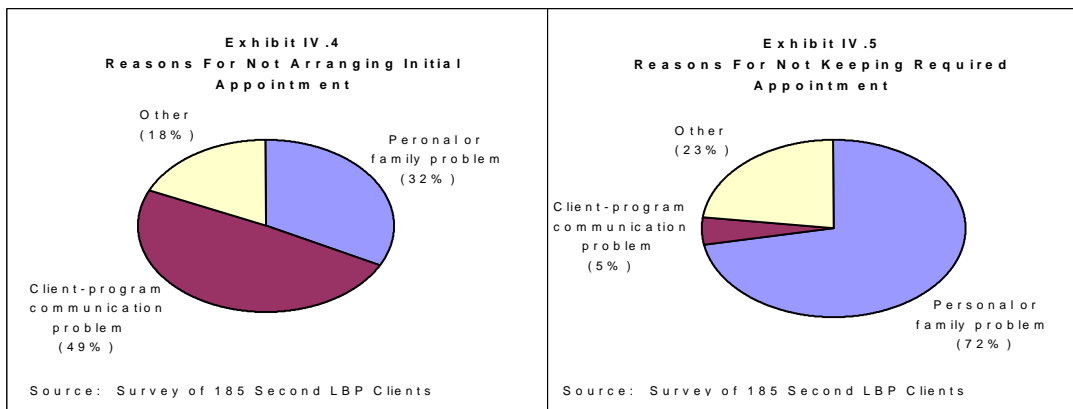
2. Lack of understanding about PROMISE JOBS requirements (6 percent)
3. Inability to contact PROMISE JOBS staff by the required deadline (5 percent)

In order to reduce client noncompliance, it is necessary to understand not only the overall distribution of reasons for noncompliance, but also how specific reasons relate to specific types of noncompliance. For example, to take efficient and effective steps to reduce client failure to arrange the initial appointment, it is necessary to understand clients' reasons for that specific failure. The following section addresses this issue.

2. Reasons for Failure to Arrange and Keep Appointments

Clients who failed to arrange the initial appointment most often cited a breakdown in communications between themselves and PROMISE JOBS as the reason for that failure (see Exhibit IV.4). This focus on communication problems is not surprising, given that arranging the initial appointment depends on the client understanding what is required and being willing and able to communicate with PROMISE JOBS to schedule the appointment.

In contrast to clients' reasons for failure to arrange the initial appointment, clients' reasons for failure to keep a scheduled appointment centered on personal and family circumstances, such as transportation, schedule conflicts, and child care (see Exhibit IV.5). This focus also is not surprising given that keeping an appointment depends on the client being willing and able to get themselves to PROMISE JOBS at the scheduled time, something quite different than what is needed for a client to successfully arrange the initial appointment. It is clear that to be effective, policy efforts to reduce these two types of noncompliance would need to be different.



Under pending LBP policy changes, noncompliance with arranging the initial appointment will become less relevant to second LBP assignments. This is because the changes will require former LBP clients to sign an FIA with PROMISE JOBS *before* they can reapply to FIP. This implies that they will have had an initial appointment at PROMISE JOBS before re-entering FIP. Hence, we expect that assignment to a second LBP for failure to schedule an initial appointment will no longer be an issue. However, assignment for failure to keep appointments will remain an important issue.

C. CLIENTS' BARRIERS TO COMPLIANCE

This section of the chapter moves beyond the specific act of noncompliance to provide a broader and more in-depth look at barriers to compliance faced by second LBP clients. The client survey asked clients not only to identify the immediate reason for their noncompliance (see Section B), but also to identify other factors that contributed to their assignment to a second LBP. Further, we asked clients to describe the nature of each contributing factor, for example, to describe how transportation was a problem. Such descriptive information on the nature of the problem—whether it is lack of a car, no driver's license, or something else—is critical to developing an appropriate policy response. Below, we examine the incidence and nature of five barriers to compliance that emerged most frequently from the client survey and case-study interviews: (1) transportation, (2) child care, (3) schedules conflicts, (4) health, and (5) experiences with and understanding of PROMISE JOBS (see Exhibit IV.6).

Exhibit IV.6	
Contributing Factors in Second LBP Assignment	
	Contributing Factor (%)
Transportation Problems	47
Child Care Problems	35
Lack of Understanding of Program Requirements	28
Experiences with Promise Jobs	
Location of Promise Jobs office	24
Experiences with Promise Jobs staff	22
Schedule Conflicts	
Work or school schedule	21
Promise Jobs office hours	16
Disability/Health Problem	
Self	21
Other family member	13

Source: Survey of 185 Second LBP Clients

1. Transportation

Nearly half of second LBP clients reported that transportation problems had contributed in some way to their being assigned to a second LBP. Nearly one-fourth specifically cited the distance to PROMISE JOBS. The most common theme in clients' descriptions of their transportation problems was a *lack of access to reliable transportation*. Five different aspects of this theme emerged among clients facing one or more transportation problems:

1. No car/transportation (69 percent)
2. Problems relying on others for rides (19 percent)
3. Limited access to public transportation (16 percent)
4. No driver's license (15 percent)
5. Unreliable or nonworking car (15 percent)

Lack of a car or other form of transportation is by far the most common type of transportation problem. Many clients who did not have a car or did not have a license cited a secondary problem, such as difficulty finding other rides and living too far away to walk to the PROMISE JOBS office. Transportation is clearly an important barrier for clients who enter a second LBP. However, we must caution that, on the basis of client survey results, it is difficult to judge the degree to which clients are attempting to resolve their transportation issues. Also, PROMISE JOBS policies allow clients to address their barriers in the FIA by including steps to resolve the barrier as an FIA activity. However, clients must reveal their barriers to PROMISE JOBS staff in order for this to occur.

Multiple Transportation Problems Were Common Among Second LBP Clients

"I don't drive and the area where I live [has] no bus [service]."

"My car was not running and there were no buses to take to PROMISE JOBS."

"I lost my driver's license and I could not find someone to drive me to PROMISE JOBS."

"I don't have a car so I need to catch a ride with friends, but it doesn't always work out."

Under current policy, former LBP clients who have returned to FIP are eligible for transportation assistance, in the form of allowance payments, for all PROMISE JOBS activities following the initial appointment. Under the pending changes, former LBP clients will have to sign an FIA and then participate in 20 hours of employment and training activities

before they can return to FIP. Transportation expense allowances will be provided for the 20 hours of required activities and for the development of the FIA.

2. Child Care

Just over one-third of second LBP clients reported that child care problems had contributed in some way to their being assigned to a second LBP. Most often, these clients described the problem as having no one to take care of their children when they needed to go to the PROMISE JOBS office for an appointment. Some also described the problem in terms of lack of affordable child care, lack of reliable and trustworthy providers, and needing to be home with their children after school.

One-third of Second LBP Clients Cited Child Care Problems

“My kid was sick and home from school. I didn’t have anyone to call to watch her. So, I couldn’t go to my appointment. They don’t let you bring kids in.”

“At the time, my children’s hours of being transported to and from school conflicted with getting to my PROMISE JOBS appointments.”

“I have trouble finding a child care provider I can afford.”

Child care assistance is currently available for former LBP clients who have returned to FIP for all PROMISE JOBS activities other than the initial appointment. As noted in the discussion of transportation, the pending policy changes will require former LBP clients to sign an FIA and then participate in 20 hours of employment and training activities before they can return to FIP. Child care allowances will be provided for the 20 hours of required activities and for the development of the FIA.

3. Schedule Conflicts

About one-fifth of all second LBP clients reported that schedule conflicts with work or school were a contributing factor in their second assignment to the LBP. The common theme expressed by these clients was tension between fulfilling their work or school commitments and meeting PROMISE JOBS requirements, particularly keeping scheduled appointments. Many expressed considerable frustration about this conflict. Clients in this situation reported that they could not get time off from work or school to go to the PROMISE JOBS office for scheduled appointments. A small number of clients (just over 16 percent) specifically cited

limited PROMISE JOBS office hours, particularly in the late afternoon and evening, as contributing to their second LBP.

Employed Clients Cited Conflicts Between PROMISE JOBS and Work Schedules

"[I was] working at a college and going to school [there]. I had to be there from 7:30 am to 5:00 pm and [I] could not make PROMISE JOBS office hours."

"I was working full time and going to school and PROMISE JOBS wanted me to go [to the office] at 9:00 am and [I] couldn't be absent for the time. It would be counted against [me]."

"It would be better if PROMISE JOBS had evening hours for people who work. I can't get to the office before they close at 4:30."

Schedule conflicts clearly affect the ability of clients who are working or attending school to keep PROMISE JOBS appointments. To a lesser extent, they also affect the ability of these clients to call PROMISE JOBS to schedule or reschedule appointments. Data from the client survey and case-study interviews suggest that there is variation among caseworkers and clients in the degree of effort they give to establishing convenient appointment times, rescheduling appointments, and communicating about schedule conflicts. As discussed later in this chapter, these issues relating to client-caseworker communication appear to be important.

4. Health Concerns

Clients' own health problems and those of other family members contributed to second LBP assignments for one-fifth and one-eighth of clients, respectively. When a clients' own health problem contributed to noncompliance, the problem was more often temporary than chronic. When another family member's health was a factor, the reverse was true; the health problem was more often chronic than temporary. Not surprisingly, clients associated temporary health problems with a particular act of noncompliance (for example, missing an appointment because the client was having surgery that day), while they associated more chronic problems with ongoing noncompliance (for example, experiencing challenges to participation because of a drug addiction problem).

A Sampling of Health Problems Contributing to Second LBP Assignments		
	Temporary	Chronic
Client	hospitalization, surgery, childbirth, bed rest for pregnancy, miscarriage, illness, flu, injury to ankle, foot, or back	drug addiction, manic depression, chronic asthma
Other Family Member	child's doctor appointment, child or spouse sickness, emergency room visit, child's asthma attack	mentally retarded child, special needs child, disabled sister, child on heart monitor, child with chronic asthma

Data from the client survey and case-study interviews reveal that some second LBP clients who face health barriers fail to communicate with their PROMISE JOBS caseworker about these problems. Ensuring that chronic health conditions are identified early in clients' interactions with PROMISE JOBS and that these conditions are appropriately addressed in FIAs could play an important role in reducing health-related noncompliance.

5. Experiences with and Understanding of PROMISE JOBS

Twenty to 30 percent of second LBP clients specifically cited problems regarding their understanding of program requirements or communication and experiences with PROMISE JOBS as contributing to their assignment to a second LBP. Some said they simply "did not understand" written or verbal explanations of the requirements. Others provided more specific descriptions of what they did not understand. From these, we were able to identify the following key areas in which lack of understanding was of particular concern:

- Requirements about contacting PROMISE JOBS in particular circumstances (initial appointment, getting a job, missing an appointment), and
- Requirements relating to job search or employment

Clients' descriptions of other communication problems, aside from understanding, tended to focus on the following key deficiencies they perceived in PROMISE JOBS staff:

- Lack of understanding and support of clients

- Lack of responsiveness; for example, not returning client phone calls
- Lack of administrative efficiency; for example, not sending notices or not recording client phone calls or client participation

Under the pending policy changes, issues relating to communication and understanding between clients and PROMISE JOBS will become increasingly important. Once these changes take effect, DHS will no longer be the front line for clients returning to FIP from an LBP. Rather, clients will have to make significant contact with PROMISE JOBS *first* before they can be reconsidered for FIP.

As mentioned in several preceding sections of this chapter, communication-related barriers frequently interact with other barriers to compliance, such as transportation, child care, schedule conflicts, and health problems. Further, it appears that the addition of the communication problem often makes the other barriers insurmountable for clients. The more a client lacks the ability or willingness to communicate with his or her caseworker, the more likely a sick child, broken-down car, or schedule conflict will result in noncompliance. Addressing communication skills early in the PROMISE JOBS process could have positive effects not only on clients' compliance but also on their ability to retain jobs and succeed in the labor market.

D. FUNDAMENTAL PROBLEMS CONTRIBUTING TO NONCOMPLIANCE

So far, this chapter has focused primarily on the immediate circumstances and problems that second LBP clients cite as barriers to compliance with PROMISE JOBS requirements. It may be, however, that beneath these immediate issues lie more fundamental barriers to compliance for these clients. These may include lack of communication skills, as suggested earlier in the chapter, as well as poor problem-solving skills, low self-esteem, and the inability or unwillingness to make work a priority. In the presence of these fundamental problems, efforts to address more immediate problems would only go so far in increasing compliance. For example, providing a van service to transport clients to PROMISE JOBS could address immediate transportation problems, but only to the extent that clients communicate their need for transportation to PROMISE JOBS and make getting to PROMISE JOBS a priority.

The case-study interviews we conducted with second LBP clients suggest that inadequate communication and problem-solving skills, while not often mentioned right away, are often lurking beneath the immediate problems and barriers clients cite. For example, some clients we interviewed had made little effort, or only a substantially delayed effort, to notify their PROMISE JOBS caseworker of problems that presented barriers to compliance. These problems ranged from having to be at work at the time of a scheduled appointment to having a serious health situation. In some cases, had these clients been able to communicate with

PROMISE JOBS about the problem in a timely manner or find a way to solve the problem themselves, their assignment to a second LBP might have been prevented.

E. SUMMARY OF POLICY ISSUES

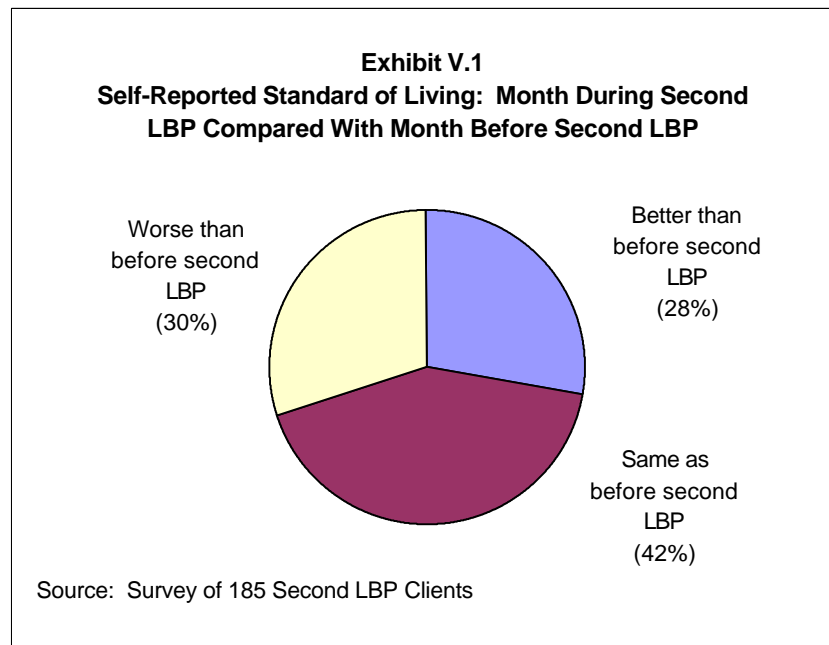
Most clients are assigned to a second LBP for failure to arrange an initial appointment or, more often, for failure to keep scheduled appointments at PROMISE JOBS. Clients who failed to arrange an initial appointment often cited a communication or informational problem as the immediate reason for their noncompliance. Clients who failed to keep scheduled appointments usually cited a logistical problem—such as lack of transportation or child care, illness in the family, or a schedule conflict—as the immediate reason for their noncompliance. These findings suggest that the elimination of logistical barriers and conflicts could reduce client noncompliance. Expanding office hours to include evening hours and providing the option to fulfill certain program requirements by mail or telephone rather than in-person are two examples of ways in which this might be accomplished.

While these immediate logistical concerns are real, the study also finds that second LBP clients often present more fundamental barriers to compliance. These latter barriers are often at the core of repeated noncompliance. This suggests that, to be successful, efforts to reduce repeat noncompliance need to address the fundamental barriers. One potential avenue for addressing these barriers is through the development of client self-sufficiency plans. This process provides the opportunity for the client and caseworker to work closely together to identify and address the client's barriers and to plan activities appropriate to the client's situation. In addition, it provides the opportunity for the caseworker to establish rapport with the client, to assess the client's self-esteem, to model effective communication, and to teach problem-solving skills.

V. THE ECONOMIC STATUS OF CLIENTS IN A SECOND LIMITED BENEFIT PLAN

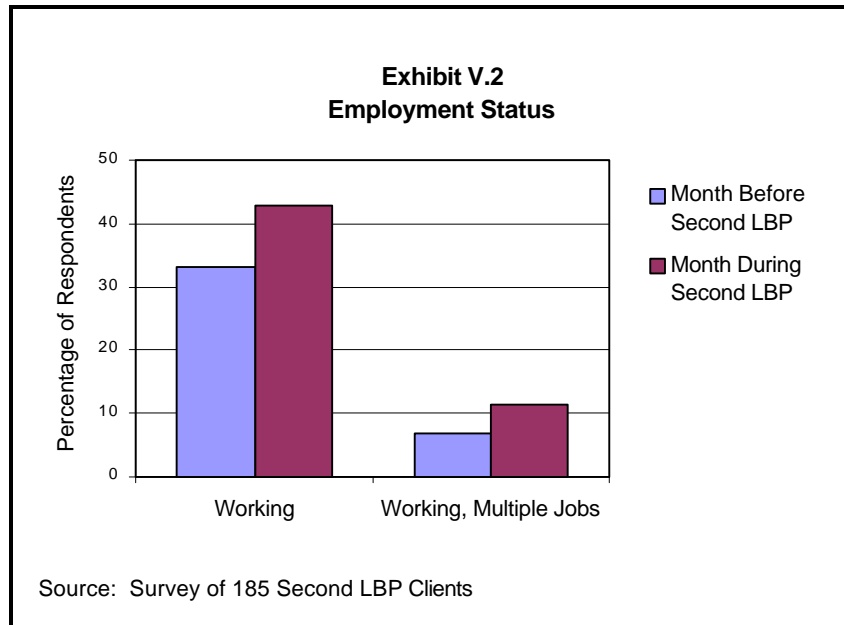
Assignment to the LBP for a second time has the potential to seriously affect families' lives as clients in a second LBP lose, on average, \$348 in monthly FIP cash assistance for a minimum of six months. This chapter examines how second LBP clients and their families cope financially with the loss of this income. Based on data from the survey and case studies of second LBP clients, the chapter presents findings on the economic status of second LBP clients. It compares clients' status in the month just before the second LBP to a month during the second LBP, in particular, the month before the survey interview.

Most clients in a second LBP appear to be getting along reasonably well without FIP cash assistance. When asked to compare their standard of living during their second LBP to that before their second LBP, 70 percent reported doing better or about the same during their second LBP, while 30 percent reported doing worse (see Exhibit V.1). To enrich our understanding of how clients' perceptions of their standard of living changed upon entering the LBP for a second time, we asked them about factors that may influence those perceptions: employment, government assistance, total household income, support from social networks, support from community agencies, and their outlook on the future.



A. EMPLOYMENT

Clients were more likely to be employed after entering a second LBP than before. This may imply a response to the loss of FIP cash assistance during the second LBP. It may also imply that some clients found employment while on FIP and chose to enter a second LBP soon thereafter, expecting to no longer need cash assistance. Most clients were not working in either the month preceding the second LBP or the month preceding the survey interview (a month during the second LBP). However, the percentage of clients working did increase substantially between those two points in time—from 33 percent to 43 percent (see Exhibit V.2). In addition, the percentage of clients working at multiple jobs concurrently increased after the start of the second LBP—from 7 percent to 12 percent. Among clients who were working during their second LBP, just over two-thirds had started their primary job *after* the start of their second LBP. This lends support to the notion that increased employment represents a response to the loss of FIP cash assistance and suggests that the LBP may be working as a tool to encourage clients to become more self-sufficient.



Clients who were employed during a second LBP worked in a wide range of industries and occupations (see Exhibit V.3). Although the nature of clients' jobs varied, they shared some common characteristics. Most jobs paid more than the minimum wage and provided full-time or close to full-time employment. On average, these jobs paid 28 percent more than the minimum wage (\$6.58 compared with \$5.15) and provided 35 hours of work per week (see Exhibit V.4). However, most did not offer health insurance or other fringe benefits.

**Exhibit V.3
Primary Job in Month During Second LBP**

	Percentage
Industry	
Food Service	17
Social/Health Service	12
Business Service	10
Retail	9
Child Care	7
Construction	7
Temporary Agency	7
Other	31
Occupation	
Laborer	22
Cleaning Person	11
Waitress	11
Clerical/Administrative Worker	10
Babysitter	7
Cashier	7
Other	32

Source: Survey of 185 Second LBP Clients

**Exhibit V.4
Characteristics of Primary Job
Among Clients Working in Month During Second LBP**

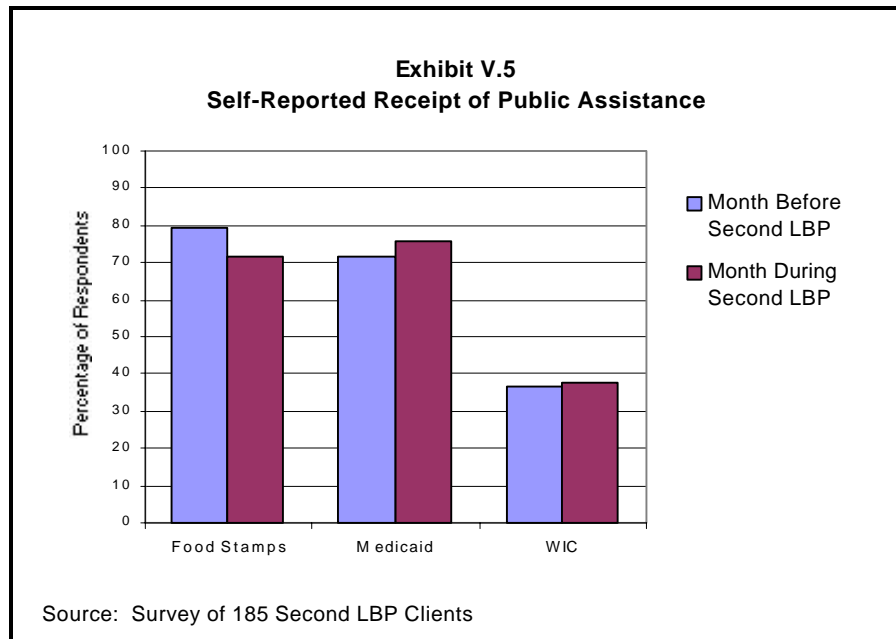
Characteristics	Average or Percentage
Hours and Earnings (Average)	
Hours per Week	35
Hourly Pay	\$6.58
Monthly Earnings	\$924.84
Fringe Benefits Received (%)	
Health Insurance	9
Paid Sick Leave	18
Paid Vacation	33

Source: Survey of 185 Second LBP Clients

B. GOVERNMENT ASSISTANCE

Clients who are assigned to a second LBP lose FIP cash assistance for six months unless they file a successful appeal or the state corrects an assignment that was made in error. About 16 percent of surveyed clients reported receiving FIP cash assistance after assignment to a second LBP. A successful appeal was the most common reason given by these clients for their renewed receipt of FIP cash assistance. Among second LBP clients who did not receive FIP cash assistance after assignment, 14 percent had filed an appeal that was still pending at the time of the survey interview.

Access to Food Stamps and Medicaid is an entitlement for second LBP clients who remain income eligible for these programs during a second LBP.¹ As these clients may be in particularly fragile socio-economic situations, their continued participation in these programs may be critical to their well-being during the LBP. Over 70 percent of clients in a second LBP reported receiving Food Stamps and Medicaid during the second LBP and 38 percent reported receiving assistance from the Women, Infants and Children (WIC) Program (see Exhibit V.5). Rates of participation in these programs changed little with entry into a second LBP, although participation in Food Stamps declined slightly. This suggests that clients are aware of and make use of other public programs despite the loss of FIP cash assistance.



¹Eligibility for Food Stamps and Medicaid is not tied to eligibility for FIP cash assistance.

This study finds that continued access to Food Stamps and Medicaid is essential to many second LBP clients. The value clients place on continued eligibility for medical assistance, especially for their children, was expressed repeatedly in the case-study interviews. Given these findings, MPR believes that it is important that clients assigned to a second LBP receive as much information as possible about continued eligibility for these programs.

Continued Medical Assistance is a Top Priority for Clients in a Second LBP

“Take my Food Stamps, take my cash. I don’t care. I just want medical for my child. I don’t care about anything else. I can survive on my tips, with food—I mean it helps, okay. The Food Stamps will help...What I depend on is medical for my child.”

“We’re on Title 19. I’d like to keep that, too. Even if they take the Food Stamps and the check away, I’d like to keep the medical...cause that’s the most main thing.”

C. HOUSEHOLD INCOME

Despite the loss of FIP cash assistance, total household income was higher during the second LBP than before it. In the month before the start of the second LBP, clients’ average total household income was \$1,008 (see Exhibit V.6). In a month during the second LBP, average total household income was \$1,249, or \$241 higher than in the month before the second LBP began. Not only did households make up for the cash assistance they lost, but they also gained additional household income. As shown in Exhibit V.6, the net increase in income was primarily in the form of earnings. This provides evidence that second LBP clients depend less on public assistance and more on earnings after entering a second LBP. These results are encouraging, suggesting that second LBP assignments may be prompting former FIP clients to take steps toward self-sufficiency they may not have taken otherwise.

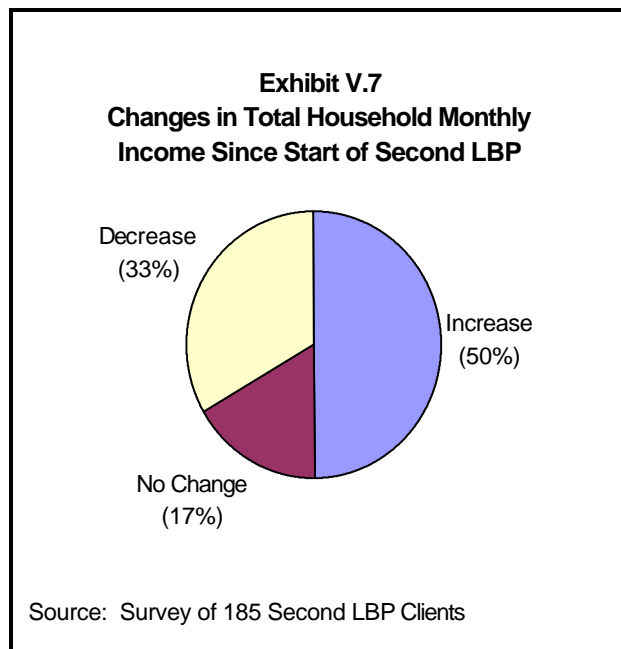
**Exhibit V.6
Average Household Income By Source**

	Month Before Second LBP	Month During Second LBP	Change in Mean Value
Government Assistance ^a	\$452	\$340	\$112
Earnings	\$484	\$808	-\$324
Child Support	\$34	\$59	-\$25
Other	\$37	\$41	-\$3
Total Income	\$1,008	\$1,249	-\$241

^aIncludes FIP, Food Stamps, SSI, Unemployment Compensation, General Assistance, and Emergency Assistance

Source: Survey of 185 Second LBP Clients

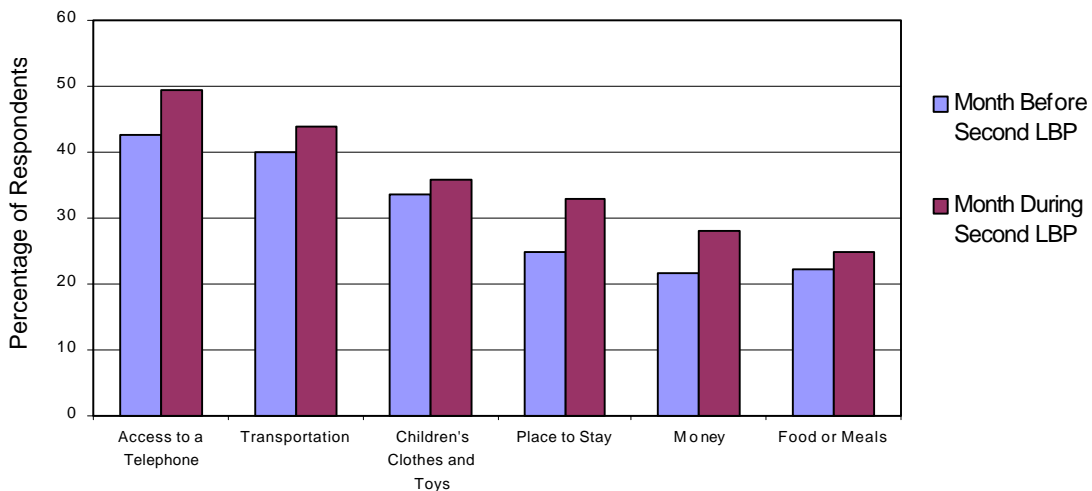
Although total household income increased on average following a second assignment to the LBP, it did not increase for all clients assigned to a second LBP. Half of second LBP clients reported an increase in income following the second assignment (see Exhibit V.7). In contrast, 33 percent reported a decrease in income, and 17 percent reported no change. The average increase in total household income for clients experiencing an increase was \$758. This increase almost doubled their pre-second LBP income. The average decrease in total household income among clients experiencing a decrease was \$384. The amount of this decrease was approximately equivalent to the average FIP grant among clients in a second LBP. Seemingly, clients who experienced a decrease in total household income following assignment to a second LBP did not replace their lost FIP cash assistance, but instead tried to live on their remaining income.



D. SUPPORT FROM SOCIAL NETWORKS

Many second LBP clients rely on social networks—family, friends, and neighbors—to help them make ends meet during a second LBP and at other times as well. The most common forms of help that clients received from their social networks, both before and during a second LBP, were access to a telephone and transportation (see Exhibit V.8). Reliance on others for transportation is consistent with clients’ descriptions of the transportation barriers that they face (see Chapter IV). Reliance on social networks increased with entry into a second LBP across all forms of support that we measured—including children’s clothes and toys, a place to stay, money, and food or meals, as well as access to a telephone and transportation. The largest increase was in reliance on social networks for a place to stay.

**Exhibit V.8
Support from Social Networks**



Source: Survey of 185 Second LBP Clients

In addition to relying on social networks for a place to stay, a small number of clients (4 percent) took other adults into their households to help cover housing costs. While reliance on others for help with housing was a successful strategy for some clients, about 4 percent of clients in MPR’s survey became homeless—that is, began living on the street and not in a shelter—since entry into a second LBP.

Many Clients Relied on Support from Social Networks During a Second LBP

“You’re all the time trying to find a ride. Find a ride. I have one very, very good friend that anytime she will give me a ride. I don’t even have to pay gas.”

“Not having a phone is tough. Some people know to call my neighbor. She’s a real nice lady.”

“I didn’t have a way to keep my apartment... Well, I guess I could have tried to find something. But [not] in such a short period of time. And my mom let me come stay here.”

E. SUPPORT FROM COMMUNITY AGENCIES

Clients were more likely to use food pantries and thrift shops than crisis centers, soup kitchens, and emergency shelters during the second LBP assignment, but none of these agencies was used by more than one-fifth of clients over this period (see Exhibit V.9). Use of food pantries and thrift shops during the second LBP was equal, with 18 percent of clients using each. Among all those who had used a food pantry in the past year, relatively fewer had done so since the second LBP than before the second LBP (18 percent versus 25 percent). The pattern was reversed for thrift shops; relatively more had used one since the second LBP than earlier in the year (18 percent versus 15 percent).

Exhibit V.9			
Support from Community Agencies During Past Year			
	<u>In Past Year</u>		
	Since Start of Second LBP (%)	Not Since Start of Second LBP (%)	Not in Past Year (%)
Food Pantry	18	25	57
Thrift Shop	18	15	67
Crisis Center	5	3	92
Soup Kitchen	4	1	95
Emergency Shelter	3	4	94

Source: Survey of 185 Second LBP Clients

Crisis centers, soup kitchens, and emergency shelters were each used by no more than 5 percent of clients since the start of the second LBP. Furthermore, each of these was used by no more than 4 percent during the remainder of the year preceding the second LBP. Among the few who had used soup kitchens in the past year, four out of five had done so since the start of the second LBP.

A Few Clients Relied on Support from Community Agencies During a Second LBP

“Well, right now I have a job, but its not enough to [make] ends meet. Because I have to pay \$350 rent. That’s my whole [pay]check. That leaves us with no groceries, no car, no gas money, no nothing... I have been to the [local food pantry] before. And just last month I went to try to get help with my electricity...”

“Oh, I had gotten help. Yeah, I got help from my church, or [places] like that to pay my rent.”

F. FUTURE OUTLOOK

Most second LBP clients see themselves as being on a path toward less reliance on FIP and increased self-sufficiency. Only about 15 percent said they expected to be receiving FIP cash assistance either immediately or soon after the second LBP ended. Only 9 percent expected to be receiving FIP cash assistance one year after the survey interview. The few who did expect to receive FIP cash assistance in the future were optimistic about their ability to meet PROMISE JOBS requirements and to avoid yet another assignment to the LBP. It is likely, though, that some of these clients have an overly optimistic view of their future, and may eventually return to FIP and be at risk of assignment to another LBP.

Most Clients Expect to Remain off FIP After their Second LBP

“Like I said, I don’t like changes. And that’s why I don’t depend on the welfare system. Because there’s always a change coming around the corner somewhere... I’m done with the system... I’d rather depend on my family than government.”

“I don’t think that I’ll ever do FIP again. I may, depending on how much I’m struggling or what happens with my husband right now, medical, definitely will be an issue. And possibly even Food Stamps. But I don’t see myself getting wrapped up with FIP again.”

G. SUMMARY OF POLICY ISSUES

Most clients experienced an increase or no change in their standard of living after entering a second LBP. The fact that some FIP clients enter a second LBP implies that they have repeatedly failed to gather the resources to develop and carry out an FIA. Nonetheless, once in a second LBP, it appears that most of these clients are able to gather the resources to make ends meet without FIP cash assistance. About 33 percent of clients in a second LBP were working just before entering a second LBP. Even more, 43 percent, were working during their second LBP. This increased employment suggests that the LBP may be working as a tool to prompt clients to become more self-sufficient. However, there is a substantial minority of clients--one-third--who experienced a decrease in total household income and a decrease in standard of living after entering a second LBP.

Many clients make ends meet financially during a second LBP by relying not only on increased employment but also on government assistance, other than FIP, and on social support. Assistance from government programs such as Medicaid and Food Stamps is important to clients during a second LBP. This study suggests that Medicaid coverage, especially for children, is especially important. Clients in a second LBP also rely on support from social networks during a second LBP. However, support from social networks may be unreliable. If clients do not negotiate back-up plans should this support become unavailable,

heavy reliance on social networks may contribute to their failure to meet PROMISE JOBS requirements and may otherwise hinder their attempts at self-sufficiency. It is important that policymakers consider this potential in light of welfare programs and policies that encourage clients to make use of social networks, either in place of or in addition to cash assistance.

VI. EXPERIENCES WITH THE LIMITED BENEFIT PLAN: CLIENTS' PERSONAL STORIES

To enhance the study findings presented in the preceding chapters, we conducted in-depth, in-person interviews with 12 respondents to our survey of clients in a second LBP. This chapter presents 6 of these 12 clients through narrative vignettes that focus on clients' experiences with the LBP, particularly a second LBP assignment. It also discusses the issues raised by their stories in light of current and pending LBP policies. We chose the 6 clients presented here because they represent diverse experiences with PROMISE JOBS and the LBP—these clients entered a second LBP for different reasons, faced different barriers to meeting PROMISE JOBS requirements, and dealt with their second LBP assignment in different ways. The vignettes provide real and detailed examples of many of the issues identified and discussed in earlier chapters of this report. Names have been changed to protect the identities of the interviewees.

A. BETH

Age:	33
Marital Status:	Separated
Education:	GED, Some college
Number of Children:	2 (ages 10 and 12)
Start of First LBP:	May 1995
Start of Second LBP:	May 1998

Beth was assigned to a first LBP in May 1995 because she failed to attend a meeting with her PROMISE JOBS caseworker. The meeting was about Beth's progress with her FIA since she had recently stopped pursuing a GED. After being assigned to the LBP, Beth met with her caseworker. Together, they rewrote the FIA and Beth went back to the GED program. As a result of this reconsideration, the LBP was lifted, enabling Beth to return to FIP. Beth completed a GED in August 1995 and continued to comply with FIA and PROMISE JOBS requirements over the next several years.

Beth entered the LBP for a second time in May 1998. The previous September, Beth had enrolled at the local community college as part of her FIA. Her goal was to complete a business degree and obtain a job as a secretary. After several months of college, Beth dropped out and subsequently failed to contact her PROMISE JOBS caseworker for about four months. Beth attributes her failure to stay in school, as well as her failure to contact her caseworker, to a significant bout of depression. She had been diagnosed with depression and was on medication, but the condition had worsened at that time. In her words:

"I was going through depression at that time... I get so I don't take my pills... and I don't talk to [any]body [and]...it's hard for me to even get the kids to school. I just

don't talk, I don't have nothing to do with nobody... So I went through a period of that. And I didn't call [my caseworker] for probably four months.”

Beth appealed the second LBP assignment, but the appeal was denied. Her impression was that it was denied because of the long period of time that lapsed between when she dropped out of school and when she contacted her caseworker. Beth had never discussed her depression with her caseworker. Hence, this barrier to her progress had never been identified or addressed in her FIA. In Beth's mind, depression was outside the scope of PROMISE JOBS and the FIA process, which she viewed as narrowly focused on employment and training.

When Beth entered a second LBP in May 1998, she decided she would look for work because she was “tired of living off everybody else.” After filing applications with a number of local employers, she obtained a part-time job as a clerk at a discount store. She has since moved into a full-time clerk position at the store and is very satisfied with the job. Beth does not have a working vehicle but, so far, has been able to borrow a vehicle or get a ride to work from a neighbor or co-worker. She expressed concern about her ability to keep the job if these transportation arrangements broke down or her depression worsened again. After becoming employed, Beth moved out of her sister's home and into an apartment of her own. When we interviewed Beth, she was struggling to cover the rent and utilities and thought that to make ends meet she would need to reapply to FIP after the LBP assignment ended.

Discussion. In Beth's story, depression emerges as a significant barrier to long-term compliance with program requirements and achievement of self-sufficiency. This problem, however, had not been addressed through the FIA process. Beth's failure to stay in school might have been detected and addressed earlier if Beth had been able to share information about the depression with her caseworker or if the caseworker had worked more closely with Beth to uncover potential barriers. It seems possible that the second LBP assignment even might have been prevented.

Given that Beth reconsidered after the first LBP assignment and remained in compliance for an extended period of time, it is unlikely that the pending changes in LBP policy—which focus on ensuring compliance at the time of return to FIP—would have affected her outcome.

B. CARLA

Age:	33
Marital Status:	Married
Education:	High school diploma
Number of Children:	1 (age 8)
Start of First LBP:	November 1996
Start of Second LBP:	March 1998

Carla was assigned to a first LBP in November 1996 and a second LBP in March 1998. Both times the LBP assignment occurred because Carla was not cooperating with PROMISE JOBS and, in particular, not fulfilling her FIA to the satisfaction of her caseworker. Carla explained that the goals in her FIA were “to get a driver’s license and to try to better [her]self.” Carla’s ongoing problem with noncooperation stems from a stalemate over the latter goal between her and her caseworker. Carla firmly believes that her full-time waitressing job at a local diner, which she has held for five years, is the best opportunity for her in the local job market. According to Carla, her PROMISE JOBS caseworker believes Carla could get a better job that would lead to self-sufficiency. Carla’s ongoing unwillingness to explore other job opportunities has clearly been a point of contention with her caseworker and, in Carla’s mind, the reason for her LBP assignments.

Carla is very satisfied with her current employment and unwilling to pursue other job opportunities for many reasons. First, the job provides a steady and reliable source of income for her family (Carla’s husband does temporary construction work). Second, her base wage and tips together generate hourly earnings of at least \$7, more than she believes she could earn elsewhere. Third, the diner where she works is within walking distance of her apartment, an important consideration since Carla does not yet have a driver’s license or a car (though she had started taking driving lessons). Fourth, she values the supportiveness of her employer who, on several occasions, has been willing to loan her money to cover rent or an electric bill. Finally, her past job experiences—including factory work and telephone customer service work—strengthen Carla’s belief that waitressing is right for her.

During the second LBP assignment, Carla continued to receive Food Stamps and Medicaid coverage while maintaining her full-time job at the diner. Carla emphasized the importance of Medicaid coverage for her child, going so far as to say, “all I want to depend on the welfare system is [for] medical.” Nonetheless, Carla reapplied for FIP as soon as the second LBP assignment ended. She fully expected to be placed on the LBP again in the near future because she remained unwilling to look for a new job. In her words, “I guarantee you within six months you’ll see my name on the LBP again because they’ll tell me I didn’t [cooperate]... I always get it for not cooperating.”

Discussion. In the past, Carla has benefitted from some vulnerabilities in LBP policy that have enabled clients to reapply for FIP and temporarily receive cash assistance without coming into compliance with PROMISE JOBS and FIA requirements. The pending LBP

policy changes will clearly prevent this. Under the changes, Carla would have to come into compliance with PROMISE JOBS—in particular, sign an FIA and spend 20 hours on employment and training activities—*before* she could return to FIP. Given Carla’s history, it seems unlikely that she and her caseworker would agree on the appropriate activities for Carla or on the content of her FIA, and therefore unlikely that Carla would fulfill these requirements.

Carla’s story underscores some important issues regarding how DHS and PROMISE JOBS handle employed FIP clients. Considering Carla’s commitment to employment, she appears to be a model welfare recipient. She says, “You work for what you want... you don’t sit on your butt and collect a check every month. Plain and simple. You don’t do that.” On the other hand, considering her failure to cooperate with PROMISE JOBS, she appears to be a problem case. It is possible that Carla’s PROMISE JOBS caseworker is justifiably concerned about Carla’s ability to obtain self-sufficiency within the time limit on cash assistance, given the nature of her current job. Based on Carla’s story alone, it is difficult to judge what needs to change. Regardless, it is clear that issues surrounding employed FIP clients, particularly the definition of acceptable employment, warrant attention.

C. CINDY

Age:	29
Marital Status:	Divorced
Education:	High school diploma, Some college
Number of Children:	3 (ages 5, 8, and 9)
Start of First LBP:	October 1996
Start of Second LBP:	April 1998

Cindy was assigned to a first LBP in October 1996 after she failed to comply with job search requirements. Cindy had been temporarily hospitalized for leg surgery at the time of this noncompliance. However, based on her story, it is unclear whether she informed PROMISE JOBS of this hospitalization. Cindy inferred from the LBP assignment that she was expected to have continued job search activities while hospitalized. This seems quite unlikely and suggests there may have been miscommunication between Cindy and staff at PROMISE JOBS. Cindy did not try to reconsider this LBP. On the advice of a relative who worked for DHS, Cindy appealed the assignment, but the appeal was denied. When the first LBP assignment ended, Cindy returned to FIP cash assistance and worked providing babysitting services in her home.

Cindy was assigned to a second LBP in April 1998 for failure to attend an appointment at PROMISE JOBS. She explained that this appointment was for orientation, not because she was new to FIP, but because she had recently moved from one county to another and, as

a result, had to change PROMISE JOBS offices.¹ Cindy had contacted PROMISE JOBS in the new county on the advice of a DHS caseworker. This “orientation” appointment was scheduled, but Cindy failed to keep it. Her reasons for this noncompliance centered on the job she had started at a financial services agency after relocating. Cindy reported that the appointment time conflicted with her hours at work, and that she was unwilling to contact PROMISE JOBS by telephone from work because it was a long-distance call. Cindy never contacted PROMISE JOBS about the missed appointment and was subsequently assigned to a second LBP. She appealed the assignment but the appeal was denied.

At the time of the case-study interview, Cindy’s second LBP had ended. She was still working at the same job with the financial services agency and had not returned to FIP cash assistance. The “headache” of dealing with PROMISE JOBS after relocating had left Cindy hoping she would not need to return to FIP. She is satisfied with her job and particularly values the flexibility and support provided by her boss. For example, he had allowed her to take time off when her son broke his arm and also allowed her to bring her children to work on occasion if she could not obtain child care. When we interviewed Cindy, her children were covered by Medicaid but she was not. She was eager to obtain medical coverage for herself so she could afford to resume medical treatment for depression and allergies. The employer was in the process of setting up a health insurance plan and had promised Cindy coverage.

Discussion. Cindy’s story provides another look at some of the important policy issues for employed FIP clients. Cindy’s second LBP assignment, in particular, illustrates how obtaining employment, which is most often a positive step toward self-sufficiency, can present a barrier to compliance with the very program intended to support her progress toward self-sufficiency. This study suggests that the availability of appointments during nontraditional hours or by telephone could potentially reduce noncompliance with PROMISE JOBS among employed FIP clients. However, for this to be true, clients would need to take responsibility for communicating with PROMISE JOBS, something Cindy failed to do.

Had the pending policy changes been in effect when Cindy entered a first LBP, she would not have been able to return to FIP cash assistance unless she was willing to comply with orientation activities and sign an FIA. From her story, it is difficult to say whether she would have returned to FIP following the first LBP had the changes been in effect at the time. However, it is clear that her inability to keep the appointment that led to her second LBP assignment would not have been directly affected by the pending changes.

¹It is likely that Cindy actually experienced a short break in FIP assistance and that is the reason for the orientation because, according to DHS policy, an orientation appointment is not required upon a move from one county to another.

D. TAMMY

Age:	32
Marital Status:	Divorced
Education:	High school diploma, Some college
Number of Children:	2 (ages 7 and 10)
Start of First LBP:	January 1995
Start of Second LBP:	March 1998

Tammy was first assigned to the LBP in January 1995 after missing several appointments with her PROMISE JOBS caseworker. Tammy was able to reconsider and end that LBP by meeting with her caseworker and providing documentation that she was babysitting 26 hours per week.

Tammy entered the LBP for a second time in March 1998 after again missing several scheduled appointments with her caseworker. The purpose of those appointments was to discuss her job search activities. Tammy claimed that she missed the first appointment because she had no transportation, the second because her child was ill, and the third because she was incarcerated for repeatedly driving without a valid license. After missing each of the first two appointments, Tammy contacted her caseworker and was able to reschedule. The third time, however, Tammy did not contact her caseworker and was subsequently assigned to a second LBP. After getting assigned to a second LBP, Tammy provided documentation of her incarceration to the PROMISE JOBS office, and the state reinstated her FIP cash assistance in June 1998.

At the time of the case-study interview, Tammy was receiving FIP cash assistance and Food Stamps and was doing odd jobs, particularly babysitting, to support her family. She was also continuing to search for more formal employment. However, lack of transportation is a significant barrier in her job search; she has not had a valid driver's license since 1995 when it was revoked for driving with an expired license. Although DHS offered to reimburse Tammy for bus fare and encouraged her to find other legal means of transportation, she has continued to drive without a license. Her view is that other transportation options are inconvenient and unreliable. Her license will not be reinstated until she pays off a debt of about \$1,300 in outstanding driving fines. She expressed uncertainty about how she was going to pay off the debt, saying "I'm stuck because I can't find a job around here. I can't pay off my debt because I don't have a job. I can't [continue to] get FIP if I don't get a job. It's a big circle." In the meantime, Tammy has been trying to rely more on family and friends for transportation to submit job applications and walking to the few businesses that are close to her apartment.

Discussion. Tammy was assigned to the LBP for a second time after a series of missed appointments, several of which involved a transportation barrier. Given that PROMISE JOBS recognized and attempted to address Tammy's transportation barrier, it is unlikely the

agency could have done much more to prevent the second LBP assignment. Although Tammy made efforts to communicate with her caseworker about her barriers to compliance with PROMISE JOBS requirements, her constant need to reschedule appointments seems to reflect more fundamental barriers. Even if her immediate transportation barrier was addressed, it is likely that other barriers to self-sufficiency and compliance with future appointments and activities would surface. Given that Tammy, like Beth, reconsidered the first LBP assignment, it is unlikely that the pending changes in LBP policies—which focus on ensuring compliance when clients return to FIP—would have affected her outcome.

E. ALICE

Age:	36
Marital Status:	Separated
Education:	B.A. in education
Number of Children:	4 (ages 2 months, twin toddlers, 6 years)
Start of First LBP:	November 1995
Start of Second LBP:	March 1998

Alice was assigned to the LBP for the first time in November 1995. She recalls that she did not understand what an LBP was at that time. She explained that she (mistakenly) thought that her cash assistance was reduced because she had started working. During the first LBP assignment, Alice relied on earnings, unemployment insurance, and child support to support her family. After the first LBP assignment, Alice also relied intermittently on FIP cash assistance to make ends meet.

Alice entered the LBP for a second time in March 1998, though she is quite confused about the circumstances surrounding the second LBP assignment. She had returned to FIP in November 1997 and scheduled the required appointment for PROMISE JOBS orientation. She recalls that on the day of that appointment, her child was sick and she called PROMISE JOBS to notify her caseworker that she would not be able to attend. The caseworker was unavailable and Alice left a message about her absence with the receptionist. Alice took no further action, assuming that leaving a message with the receptionist was sufficient. Several months later, Alice received a reminder notice from PROMISE JOBS indicating that she was at risk of entering a second LBP. Soon after, she received a notice indicating that she had been assigned to a second LBP. Alice did not understand the reasons behind the second LBP assignment. In her words, “I was confused. I thought I was doing everything right.” Either between or after receiving these two notices, Alice called PROMISE JOBS and was scheduled for another orientation. She attended that orientation and was in the process of scheduling an appointment to develop an FIA when she learned that the orientation had been scheduled in error—she already had been assigned to a second LBP. Alice tried to appeal the second assignment, but the appeal was denied.

When Alice entered the second LBP, she and her children moved in with her parents. At the time of our interview with Alice, she expressed concern about the financial strain this was placing on her parents. She had recently taken some steps to reduce this strain. First, she had returned to FIP cash assistance when the second LBP assignment ended. Second, she had entered a program that helps low-income people start their own businesses. Alice was interested in starting an after-school day-care program when her two-month old reached the age of one.

Discussion. There was a lot of confusion surrounding Alice’s LBP experiences. Some of the confusion might have been mitigated and the second LBP prevented if both Alice and program staff had made efforts to communicate more effectively. On one hand, Alice could have followed up with her caseworker after missing the orientation appointment; instead, she allowed several months to lapse without contacting PROMISE JOBS. On the other hand, PROMISE JOBS could have responded differently to Alice’s phone call and message. For example, the receptionist could have informed Alice that she needed to call back and speak with the caseworker directly, or the caseworker could have returned Alice’s call.

Alice’s experiences with FIP and the LBP would have been different if the pending changes in LBP policy had been in place before her second LBP. Most importantly, Alice would not have been able to resume the receipt of FIP cash assistance in November 1997 given her failure to comply with PROMISE JOBS orientation activities and sign an FIA. Thus, under the pending policies, this second LBP assignment would not have occurred.

F. NANCY

Age:	35
Marital Status:	Single
Education:	GED
Number of Children:	2 (ages 12 and 17)
Start of First LBP:	May 1994
Start of Second LBP:	March 1998

Nancy first entered the LBP in May 1994 after she failed to carry out required job search activities. By meeting with her caseworker and engaging in a job search, she was able to reconsider that assignment. The LBP was canceled, enabling her to resume receiving FIP. Soon thereafter, she succeeded in finding a job. Looking back now, Nancy attributes this success to the LBP. She explained, “I [realized I] had to support my own kids and it made me get a job.” Over the next few years, Nancy worked at several different jobs and received FIP cash assistance intermittently.

The events leading up to Nancy’s second LBP assignment began in December 1997, when she left her job at a tire manufacturer. She explained that she had emphysema and that her

doctor advised her to quit because the working environment was aggravating her condition. She also said her physician sent a letter to PROMISE JOBS at the time, documenting her limited ability to work due to emphysema as well as asthma, diabetes, and back problems. Assuming this letter would excuse her from PROMISE JOBS requirements, Nancy did not respond to a phone call and follow-up notice she received from her caseworker regarding job search requirements. Finally, when Nancy received a second notice from PROMISE JOBS stating that she had chosen a second LBP, she called her caseworker. At that point, her only option was to appeal. She decided instead to focus her attention on resubmitting an SSI application that had previously been denied. Nancy was approved for SSI in April 1998, one month after entering a second LBP.

Although Nancy continued to receive Food Stamps and Medicaid during the second LBP and started to receive SSI, she was unable to make ends meet initially. After failing to pay rent, she was evicted from her apartment. When we interviewed Nancy, she and her children were living with her brother and his family. She was also relying on her brother for transportation and other basic needs. She was interested in returning to work, but was pessimistic about her ability to do so given her health condition: “I need to do something. I’m tired of sitting around. But, one day I am okay, and then the next day I’m sick.” She was also uncertain about whether she was permitted to do any work while receiving SSI.

Discussion. Lack of communication was a prominent factor in Nancy’s second LBP assignment. It is likely that this assignment could have been avoided if Nancy had taken more initiative and responsibility to communicate with PROMISE JOBS. However, it is also clear that Nancy did not understand what was required of her or what the rules were for FIP clients with health conditions such as hers. Having more or clearer information from DHS also might have helped prevent the second assignment.

Given that the pending policies most directly affect compliance at the time of a client’s return to FIP and given that we know relatively little about Nancy’s return to FIP (subsequent to the reconsideration of the first LBP), it is unclear how these policies would have affected her experience. Had she been in compliance at the time she returned to FIP and later failed to keep an appointment at PROMISE JOBS, the second LBP assignment would not have been prevented under the pending policies. However, the process of developing an FIA in order to return to FIP might have revealed Nancy’s health problems, thereby reducing the likelihood that health problems would be the root cause of her noncompliance and in turn reducing the likelihood of a second LBP assignment.

VII. CONCLUSIONS

This study provides valuable information for policymakers in Iowa and other states as they confront the challenges presented by welfare clients who repeatedly demonstrate an unwillingness or inability to fulfill self-sufficiency requirements. The study is based on a comprehensive analysis of participants in Iowa's TANF program, the Family Investment Program (FIP), who have been *twice* assigned to the Limited Benefit Plan (LBP) for failure to develop and carry out an individual plan for achieving self-sufficiency called a Family Investment Agreement (FIA).

The broad objective of the study is to understand the processes and circumstances leading FIP clients to cycle on and off the LBP, thereby providing the basis for well-informed policy decisions regarding LBP recidivism. To address this objective, the study relies on a rich combination of data sources, including a telephone survey of 185 clients who entered a second LBP in spring 1998, state administrative records, and in-depth case-study interviews with 12 survey respondents. This chapter summarizes the study findings and discusses their implications for policymakers in Iowa and elsewhere.

A. FINDINGS FROM THE STUDY OF SECOND ASSIGNMENTS TO THE LBP

This section summarizes main findings from the study of second assignments to the LBP. Each finding answers one of the four central research questions set forth in Chapter I of this report.

Assessment of Current LBP Policy. Current LBP policy has several points of vulnerability that create the potential for FIP clients to benefit financially from cycling on and off the LBP. It is likely that pending LBP policy changes will eliminate some, but not all, of these points of vulnerability through stricter rules that will require compliance with FIA requirements *before* a client assigned to the LBP is eligible to resume FIP cash assistance.

The Incidence of LBP Recidivism. Under current policy, about one-quarter of all FIP clients assigned to a first LBP ultimately enter a second LBP. While the pending policy changes should reduce the incentive for clients to cycle on and off the LBP, additional policy initiatives may be needed to lower rates of LBP recidivism. This study suggests that it would be difficult for DHS to distinguish, on the basis of readily available demographic or FIP data, first LBP clients who are likely to be assigned to a second LBP from those who are not. This implies that it may be most practical to direct any future policy initiatives to reduce repeat assignments to all clients who return to FIP from a first LBP.

Why Second LBP Assignments Occur. Nearly half of second assignments to the LBP result from clients failing to attend scheduled appointments required for the development and

fulfillment of an FIA. Clients most often cite a personal or family circumstance, such as conflicting work schedules or lack of transportation, as the immediate reason for their noncompliance. However, beneath these immediate reasons often lie one or more fundamental barriers to compliance, such as inadequate communication or problem-solving skills.

The Economic Status of Clients During a Second LBP. While some clients experienced a decline in their standard of living after entering a second LBP, most experienced an increase or no change. The fact that some FIP clients enter a second LBP implies that they have repeatedly failed to gather the resources to develop and carry out an FIA. Nonetheless, once in a second LBP, it appears that most of these clients are able to gather the resources to make ends meet without FIP cash assistance. Many increase their employment, rely on social support networks, and utilize government assistance other than FIP during a second LBP.

B. POLICY IMPLICATIONS FOR IOWA AND OTHER STATES

This study has focused on the issues surrounding TANF clients in Iowa who repeatedly fail to fulfill self-sufficiency requirements. While set in the context of Iowa and its TANF program, this study highlights two key issues confronting welfare policymakers nationwide. First, it draws attention to the logistical conflicts that some employed clients face as they attempt to work and fulfill program requirements while making the transition from welfare to work. Second, it draws attention to the fundamental barriers to compliance with TANF work requirements that lie beneath the immediate reasons for noncompliance. These issues pertain to two increasingly important, and very different, segments of states' TANF caseloads: (1) clients who have obtained employment and (2) clients who face multiple barriers to compliance and self-sufficiency or "harder-to-serve" clients.

The study's results regarding employed TANF clients are particularly timely as states implement more stringent work requirements and expand earned-income disregards, both of which encourage clients to combine work with welfare. Iowa and other states have begun to implement programs specifically for employed welfare clients. The main goal of many of these "post-employment" programs is to help employed clients retain jobs and advance in the workplace. This study suggests that another important goal should be to address structural and procedural barriers that may thwart clients' efforts to maintain employment and satisfy program requirements concurrently. This study suggests that providing evening appointment hours at PROMISE JOBS offices and providing the option to fulfill certain requirement by telephone rather than in-person could potentially increase compliance with employment and training requirements among working TANF clients.

As more TANF clients gain employment and ultimately leave welfare for work, state TANF caseloads are increasingly made up of clients presenting multiple and fundamental barriers to employment. These "harder-to-serve" clients may have poor communication skills,

poor problem-solving skills, low self-esteem, and an inability or unwillingness to make work a priority in their lives. In the presence of such fundamental barriers, policy initiatives that address immediate problems, but neglect more fundamental issues, may fail to improve clients' ability to comply with program requirements and make progress toward self-sufficiency. This study suggests that welfare clients and program staff need to work together to resolve immediate barriers to compliance and to address more fundamental barriers to self-sufficiency. This will be especially important as time limits on cash assistance draw near.

APPENDIX A

STUDY METHODOLOGY

APPENDIX A

This appendix describes the data sources and methods used in the Study of Second Assignments to Iowa's Limited Benefit Plan. The data come from three main sources: (1) a survey of clients assigned to a second LBP, (2) administrative records, and (3) case-study interviews.

THE CLIENT SURVEY

A telephone survey of 185 FIP clients who entered a second LBP in March through May 1998 provides the core data for this study. This section describes the sampling frame, data collection methodology, and response rate and representativeness in the client survey.

Sampling Frame

The target sample size for the client survey was 250 individuals. The sampling frame consisted of all FIP clients who were scheduled to begin a second LBP in March, April, or May of 1998. These clients were identified from Iowa's administrative data system on LBP assignments (the LBP Master File). We selected the sample in three steps. First, we selected all individuals who were scheduled to begin a second LBP in March-May 1998. Second, when multiple individuals within a FIP case were present in the sampling frame, we excluded all but the FIP case-name person—that is, the person in whose name the FIP benefit check is issued. This resulted in a sample of 272 individuals. Third, we excluded a random subset of the May individuals to attain the target sample size of 250.

Data Collection

The client survey was conducted by telephone from the end of May 1998 through early August 1998. A letter was sent to each sample member explaining the survey, encouraging participation, offering a \$50 incentive payment, and inviting sample members to call MPR's toll-free number to complete or schedule an interview. MPR attempted to contact by telephone those sample members who did not call the toll-free number and sent follow-up letters to those who could not be reached by telephone. Additionally, MPR obtained updated administrative records and used electronic search techniques to locate sample members. All survey interviews were completed during the six-month period of the respondent's second LBP assignment. Most (91 percent) were completed in months two through four of the second LBP.

Response Rate and Representativeness

Of the 250 sampled individuals, eight were determined to be ineligible for the survey because their *second* LBP was later identified to us by DHS as a reinstated *first* LBP. We did not attempt to interview these eight ineligible sample members. Of the 242 eligible sample members, interviews were actually completed with 185, or 76.4 percent (see Table A.1). Interview completion times ranged from 18 to 99 minutes, with a mean completion time of 35 minutes. Interviews could not be completed with 57 individuals for the following reasons: 38 could not be located; 16 were located, but could not be contacted by telephone¹; 3 were contacted, but refused to participate.

Data on a limited number of characteristics of sampled individuals were available in DHS administrative records. These data are used in Table A.1 to profile the 242 survey-eligible individuals and the subsets of 185 survey respondents and 57 nonrespondents. Among the available characteristics, there are no statistically significant differences between survey respondents and nonrespondents. The high survey response rate and lack of significant differences between respondents and nonrespondents suggest that the survey results reliably represent the experiences of all FIP clients assigned to a second LBP in the spring of 1998.

ADMINISTRATIVE RECORDS

Iowa's administrative records on FIP clients were used in two distinct ways. First, they were used in the client survey—to select the sample, compare survey respondents with nonrespondents, and augment analyses of the 185 second LBP clients who participated in the survey. Second, administrative records were used independently of the survey to track clients assigned to a *first* LBP and determine the feasibility of identifying those likely to enter a second LBP. We used three administrative data files for these purposes: the LBP Master File, the IABC Case Master File, and the IABC Individual Master File. This section describes these files and the sample for the independent analysis of administrative records.

Data Files

The LBP Master File is a cumulative data file that contains information on each assignment ever made to the LBP. The file is structured by assignment, with one record per assignment for each individual ever assigned to the LBP. We used the April 1998 LBP Master

¹Limited resources for this study, combined with the dispersion of sample members across the state, ruled out the possibility of attempting in-person interviews with sample members who could not be contacted by telephone. Note, however, that all sample members were sent a letter inviting them to call MPR's toll-free number to complete an interview. Thus, all sample members—including those without a telephone—had ample opportunity to participate in the study.

TABLE A.1
REPRESENTATIVENESS OF THE SURVEY SAMPLE

	Survey Group			Difference Between Respondents and Nonresp.	
	Sample	Respondents	Nonrespond.	Amount	Statistical Significance
Number	242	185	57	na	na
Percentage of Sample	100.0%	76.4%	23.6%	na	na
Percentage					
Male	10.3	10.3	10.5	-0.2	--
Racial/Ethnic Minority	16.1	17.3	12.3	+5.0	--
Married	20.7	20.1	22.8	-2.7	--
Mean Value					
Number of Persons in FIP Case	4.9	4.9	4.8	-0.1	--
Number of Children in FIP Case	2.5	2.5	2.4	+0.1	--
FIP Benefit in Month Before 2 nd LBP	\$342.02	\$347.81	\$323.23	+24.58	--
Birth Year of Respondent	1969.05	1969.19	1968.58	+0.61	--
Birth Year of Youngest Child in Case	1993.24	1993.24	1993.26	-0.02	--

SOURCE: LBP Master Files, March 1998 and April 1998; IABC Case Master File, March 1998; IABC Individual Master File, March 1998.

NOTE: Statistics are based on the population size and number of respondents given in the table, with the following exception due to missing data: for "Married" survey population=241 and survey respondents=184. Tests of significance are based on differences in characteristics between survey respondents and nonrespondents.

n.a. = not applicable

File to obtain information on survey respondents' first and second LBP assignments, including the reason for assignment, FIA status at assignment, termination of assignment, and key dates associated with the assignment. We used the March 1998 file to obtain similar information on clients in our independent analysis of administrative records.

The IABC Case Master File is a monthly data file that provides current and historical information on each family that is participating in, or has applied for, FIP. This file is organized by welfare benefit unit, or case, with one record per case. We used the March 1998 file to obtain information on survey respondents' recent FIP history, including benefit receipt and benefit amount. We used the December 1996, December 1997, and March 1998 files to track receipt of FIP among clients in our independent analysis of administrative records.

The IABC Individual Master File is a monthly data file that provides information on each individual belonging to a case included in the Case Master File. It contains measures of demographic characteristics of each individual assigned to the LBP. These include the age, race/ethnicity, gender, and marital status. In addition, it provides information on several case-level characteristics, including the number of persons in the case, the number of children in the case, and the age of the youngest case member; these are measured by aggregating the data over individuals in the same case. We used the March 1998 file to obtain demographic information on survey respondents around the time of their second assignment to the LBP. We used the September 1996 file to obtain information for clients in our independent analysis of administrative records around the time of their first assignment to the LBP.

Sample for Independent Analysis of Administrative Data

The sample for the independent analysis of administrative records consisted of each case that began a first LBP assignment sometime between March 1996 and August 1996, inclusive. We selected the length and timing of this sample window based upon three considerations. First, we wanted the window to be long enough to yield a sufficiently large sample to support comparisons of characteristics across subgroups of cases. Second, we wanted the window to be short enough to make the data collection process efficient and economical; a longer window would require us to access additional extracts of the administrative data files. Third, we wanted the window to meet certain calendar constraints. In particular, we wanted the first month to be late enough that current LBP policies were fully implemented, and the last month to be early enough that we could track each case for 20 months after the first LBP assignment. In cases with concurrent assignments to the LBP—that is, cases in which two individuals were assigned to the LBP at the same time—we selected the single record associated with the case-name person. The resulting sample consisted of 2,818 cases.

CASE STUDIES

The study design included semi-structured, in-depth interviews with 12 purposefully selected respondents to the client survey to obtain a richer understanding of the stories and experiences of second LBP clients. The interviews were conducted in-person by ISED. This section describes the sample selection and data collection process for the case studies.

Sample Selection

The sampling frame for the case-study interviews consisted of the 185 respondents to the client survey. The sample was purposefully selected to include a diverse group of clients along several dimensions:

- *Location and Urbanicity.* Respondents were selected from 10 counties located in central and eastern Iowa, representing both rural and urban settings. (Counties in western Iowa were not used due to cost considerations; ISED's main office is located in eastern Iowa.)
- *Family type.* Respondents were selected in each of three family types: single parent with young children (under 6 years), single parent with school-aged children (6-18 years of age), and married parents.

In addition, we considered the level of interest survey respondents expressed in participating in a follow-up case study, and the quality of the survey interview as rated by interviewers. Among those expressing interest in a follow-up interview and offering promise of a high quality follow-up interview, we selected into the case-study sample a total of 36 individuals representing a range of locations and family types. Our goal was to complete 12 case-study interviews, with 5 individuals in each of the two single-parent family types and 2 married parents.

Data Collection

The case-study interviews were conducted in the fall of 1998. In September, letters were sent to the 36 case-study sample members, outlining the purpose of the interview, offering a \$50 payment for completing the interview, and asking interested persons to call ISED's toll-free telephone number to arrange an interview. We first attempted to interview the five who responded to the letter by calling ISED. We ultimately contacted the additional 31 from the remainder of the sample to obtain our goal of 12 interviews. All interviews were completed in October or November, six-to-nine months after the clients' scheduled start of the second LBP. Interviews were conducted in-person and generally lasted 60 to 90 minutes. A simple

protocol consisting of five general topic areas provided a structure for the interviews which were tape recorded and then transcribed for analysis.

APPENDIX B

LBP POLICY

**COMPARISON OF CURRENT AND REVISED
LIMITED BENEFIT PLAN (LBP) PROVISIONS**

	LBP Before 6/1/99	LBP As of 6/1/99
<p>Length of LBP:</p> <p><u>First LBP</u></p> <p><u>Second and Subsequent LBP</u></p>	<p>Nine month period:</p> <ul style="list-style-type: none"> ◆ 3 mos. reduced benefits ◆ 6 mos. ineligibility <p>6-month period of ineligibility.</p>	<p>Indefinite period of ineligibility until Family Investment Agreement (FIA) signed. *</p> <p>A minimum 6-month period of ineligibility. Ineligibility continues until FIA is signed. Additionally, to show intent to comply, applicant must complete 20 hours of activity prior to reauthorization of FIP back to date FIA is signed.*</p>
<p>Reconsideration:</p> <p><u>First LBP</u></p> <ul style="list-style-type: none"> ◆ If no Family Investment Agreement ◆ If fail to meet Family Investment Agreement terms <p><u>Second and Subsequent LBP</u></p>	<p>Entire 3-month reduced benefit period. Not allowed in 6-month ineligibility period.</p> <p>Not allowed.</p> <p>Not allowed.</p>	<p>At any time following issuance of LBP <i>Notice of Decision</i>.</p> <p>At any time following issuance of LBP <i>Notice of Decision</i>.</p> <p>At any time following 6-month ineligibility period.</p>
<p>Well-Being Visits:</p> <p><u>First LBP</u></p> <ul style="list-style-type: none"> ◆ If can reconsider ◆ If cannot reconsider <p><u>Second and Subsequent LBP</u></p>	<p>Months 2 and 4.</p> <p>Month 4 only.</p> <p>Month 2 only.</p>	<p>None.</p> <p>N/A.</p> <p>Month 2 or within 4 weeks of month 2.</p>
<p>Administrative Review Process:</p> <p><u>First LBP</u></p> <ul style="list-style-type: none"> ◆ If no FIA ◆ If fail to meet FIA terms <p><u>Second LBP</u></p> <ul style="list-style-type: none"> ◆ If no FIA ◆ If fail to meet FIA terms <p><u>Third or Subsequent LBP</u></p>	<p>No review.</p> <p>DHS - Division of Economic Assistance staff review.</p> <p>No review.</p> <p>DHS - Division of Economic Assistance staff review.</p> <p>Same as second LBP.</p>	<p>In both instances, 100% review at state or local level with procedure approved by Iowa Workforce Development and DHS.</p> <p>In both instances, 100% review by state-level staff at Iowa Workforce Development.</p> <p>IWD determines level of review.</p>

*If otherwise eligible, the effective date of FIP is the date the FIA is signed, or seven days from the application date, whichever is later.

APPENDIX C

TABLES OF STUDY RESULTS

APPENDIX C

This appendix presents tables of results that were used to develop the analyses and exhibits throughout the body of the report. These results come from the survey of second LBP clients and the analysis of administrative records. Some of the tables present more results than were discussed in the report. The list below references the chapter and section to which each table relates.

Table	Table Name	Chapter, Section
C.1	Number of Months Between the First LBP and Second LBP for the Client Survey Sample	chapter 3, section A
C.2	Self-Reported Individual Characteristics of Survey Respondents at Time of Interview	chapter 3, section B
C.3	Self-Reported Household Characteristics of Survey Respondents	chapter 3, section B
C.4	Demographic Profile of LBP Cases by Subgroup	chapter 3, section C
C.5	Program Characteristics of LBP Cases by Subgroup	chapter 3, section C
C.6	Type of Noncompliance in the Second LBP for Client Survey Sample	chapter 4, section A
C.7	Type of Noncompliance in the First LBP for Client Survey Sample	chapter 4, section A
C.8	Main Reason for Noncompliance with PROMISE JOBS	chapter 4, section B
C.9	Main Reason for Client Noncompliance with Specific Requirement	chapter 4, section B
C.10	Contributing Factors in Second LBP Assignments	chapter 4, section C
C.11	Self-Reported Standard of Living	chapter 5, intro.
C.12	Employment	chapter 5, section A
C.13	Primary Job Among Respondents Working in Month During Second LBP	chapter 5, section A
C.14	Characteristics of Primary Job Among Respondents Working in Month During Second LBP	chapter 5, section A
C.15	Current Receipt of FIP Benefits	chapter 5, section B
C.16	Participation in Public Assistance Programs as Reported by Survey Respondents	chapter 5, section B
C.17	Household Income by Source	chapter 5, section C
C.18	Changes in Total Household Monthly Income Since Start of Second LBP	chapter 5, section C
C.19	Support from Family, Friends, and Neighbors	chapter 5, section D
C.20	Housing Moves and Homelessness	chapter 5, section D
C.21	Support from Community Agencies	chapter 5, section E
C.22	Expectations Regarding FIP and the LBP at Time of Interview	chapter 5, section F

TABLE C.1

TIME BETWEEN START OF FIRST AND SECOND LBP
THE CLIENT SURVEY SAMPLE

Number of Months	Number	Percentage
Les than 10	17	9.2
10 to 19	46	24.9
20 to 29	42	22.7
30 to 39	50	27.0
40 or more	30	16.2
Total	185	100.0

SOURCE: LBP Master File, April 1998.

NOTE: Percentages may not sum exactly to 100.0 due to rounding.

TABLE C.2

SELF-REPORTED INDIVIDUAL CHARACTERISTICS
OF SURVEY RESPONDENTS AT TIME OF INTERVIEW

Characteristic of Respondent	Percentage
Sex	
Male	9.7
Female	90.3
Age in Years	
18 to 19	2.7
20 to 29	58.3
30 to 39	33.0
40 to 49	5.8
Race	
White	80.4
Black	12.0
Other	7.6
High School Graduation Status ^a	
GED	35.7
High school diploma	30.1
Neither	36.1
Marital Status	
Married	14.2
Separated	15.8
Divorced	22.4
Widowed	0.5
Never married	47.0

SOURCE: The Second LBP Survey.

NOTE: Statistics are based upon 185 survey respondents for sex, age in years, and GED; 184 for race; 183 for marital status; 183 for high school diploma; 183 for neither GED nor high school diploma. Some percentages may not sum exactly to 100.0 due to rounding.

^aPercentages do not sum to 100 because respondents may have both a GED and a high school diploma.

TABLE C.3

SELF-REPORTED HOUSEHOLD CHARACTERISTICS OF
SURVEY RESPONDENTS

Characteristic	Percentage
Number of Persons in Household	
1	1.6
2	14.1
3	25.4
4	24.9
5	16.8
6 or more	17.3
Number of Respondent's Own Children in Household	
0	2.8
1	33.7
2	31.5
3	22.7
4 or more	9.4
Presence of Respondent's Own Children by Age of Youngest Child	
Under 1 year	20.3
1 to 2 years	27.1
3 to 5 years	21.5
Older than 5 years	31.1

SOURCE: The Second LBP Survey.

NOTE: Statistics are based upon 185 survey respondents for number of persons in household and presence of respondent's own children by age group; 181 for respondent's own children in household; 177 for presence of respondent's own children by age of youngest child. Some percentages may not sum exactly to 100.0 due to rounding.

TABLE C.4
DEMOGRAPHIC PROFILE OF LBP CASES BY SUBGROUP

	Returned to FIP		
	Second LBP	No Second LBP	No Return to FIP
Individual Characteristics			
Female (%)	78.4	79.8	77.9
White (%)	81.1	82.9	88.1
High School Graduate (%)	53.2	51.7	58.8
Marital Status (%)			
Married	21.9	24.8	32.8
Divorced, separated, widowed	16.8	18.0	20.9
Never married	61.3	57.2	46.4
Age Group (%)			
15-19 years	13.1	11.5	6.7
20-29	55.2	51.7	51.1
30-39	27.8	30.0	34.1
40+	3.9	6.9	8.1
Average Age (years)	26.7	27.7	28.9
Case Characteristics			
Average Case Size (persons)			
Total	4.4	4.4	4.2
Children under 18	2.3	2.2	2.1
Age of Youngest Person (%)			
0-3 years	55.6	49.4	41.1
3-5	22.8	24.8	27.2
6+	21.6	25.8	31.7
Average Pre-LBP Benefit ^a (\$)			
FIP Cash Grant	363.00	346.75	301.67
Food Stamps	228.38	214.91	196.69
Sample Size	259	1458	1101

SOURCE: LBP Master File, March 1998; IABC Case Master File, September 1996; IABC Individual Master File, September 1996.

NOTE: Sample sizes are as indicated with the following exceptions: *Second LBP*: Race: 254; Marital Status: 256; Education: 109. *No Second LBP*: Race: 1451; Marital Status: 1448; Education: 578. *No Return to FIP*: Race: 1093; Marital Status: 1096; Education: 1101. Some percentages may not sum exactly to 100.0 due to rounding.

^aMeasured for the month immediately prior to month 1 of the first LBP.

TABLE C.5

PROGRAM CHARACTERISTICS OF LBP CASES BY SUBGROUP

	Returned to FIP		
	Second LBP	No Second LBP	No Return to FIP
Average Number of Months on FIP ^a	11.3	11.4	1.3
FIA Status of First LBP (%)			
Pre-FIA	90.0	89.6	84.7
Post-FIA	10.0	10.4	15.3
Outcome of First LBP (%)			
Not terminated	33.6	31.6	92.2
Terminated by signing FIA	54.1	56.4	3.0
Terminated by other means ^b	12.4	12.1	4.8
Sample Size	259	1458	1101

SOURCE: LBP Master File, March 1998; IABC Case Master File, September 1996; IABC Individual Master File, September 1996.

NOTE: Some percentages may not sum exactly to 100.0 due to rounding.

^aMeasured for the 20-month period beginning with month 1 of the first LBP.

^bOther means include: client appeal, correction, or administrative change in the FIP case.

TABLE C.6

TYPE OF NONCOMPLIANCE IN THE SECOND LBP FOR
THE CLIENT SURVEY SAMPLE

	Number	Percentage
Noncompliance with PROMISE JOBS Appointment		
Client did not arrange initial appointment	43	23.2
Client did not keep a required appointment	89	48.1
Subtotal	132	71.4
Noncompliance with Other Pre-FIA Activities		
Client did not complete orientation or assessment	9	4.9
Client did not sign FIA	3	1.6
Subtotal	12	6.5
Noncompliance with Post-FIA Activities		
Client signed FIA but did not follow-through	35	18.9
Client did not renegotiate FIA	6	3.2
Subtotal	41	22.1
Total	185	100.0

SOURCE: LBP Master File, April 1998.

NOTE: Percentages may not sum exactly to 100.0 due to rounding.

TABLE C.7

TYPE OF NONCOMPLIANCE IN THE FIRST LBP FOR
THE CLIENT SURVEY SAMPLE

	Number	Percentage
Noncompliance with PROMISE JOBS Appointment		
Client did not make an appointment	67	36.2
Client made an appointment but did not keep it	91	49.2
Subtotal	158	85.4
Noncompliance with Other Pre-FIA Activities		
Client did not complete orientation or assessment	10	5.4
Client did not sign FIA	2	1.1
Subtotal	12	6.5
Noncompliance with Post-FIA Activities		
Client signed FIA but did not follow-through	15	8.1
Client did not renegotiate FIA	0	0.0
Subtotal	15	8.1
Total	185	100.0

SOURCE: LBP Master File, April 1998.

NOTE: Percentages may not sum exactly to 100.0 due to rounding.

TABLE C.8

MAIN REASON FOR NONCOMPLIANCE WITH PROMISE JOBS

Reason for Noncompliance	Number	Percentage
Personal or Family Problem		
Problems with transportation	26	14.9
Problems with work or school schedule	19	10.9
Problems with child care	14	8.0
Problems with health of another family member	13	7.4
Problems with own health	12	6.9
Other personal problem	10	5.7
Subtotal	94	53.8
Client-Program Communication Problem		
Did not receive DHS notice of requirement	13	7.4
Did not understand requirement	11	6.3
Unable to contact staff by deadline	8	4.6
Other communication problems with staff	7	4.0
Did not want to deal with program or staff	6	3.4
Subtotal	45	25.7
Other		
Had moved or was out of town	6	3.4
Chose not to comply	6	3.4
Already had a job	5	2.9
Forgot about requirement	5	2.9
Other	12	6.9
Don't Know	2	1.1
Subtotal	36	20.6
Total	175	100.0

SOURCE: The Second LBP Survey.

NOTE: Statistics are based upon 175 survey respondents, rather than 185, due to missing data. Percentages may not sum exactly to 100.0 due to rounding.

TABLE C.9

MAIN REASON FOR CLIENT NONCOMPLIANCE WITH SPECIFIC REQUIREMENT

Reason	Did Not Make Appointment		Did Not Keep Appointment		Other Type of Noncompliance	
	Number	Percentage	Number	Percentage	Number	Percentage
Personal or Family Problem						
Problems with transportation	4	5.6	16	19.5	6	18.8
Problems with work or school schedule	4	5.6	13	16.0	2	6.3
Problems with child care	1	1.4	11	13.4	2	6.3
Problems with health of another family member	4	5.6	9	11.0	0	0.0
Problems with own health	5	7.0	7	8.5	0	0.0
Other personal problem	5	7.0	3	3.7	2	6.3
Subtotal	23	32.4	59	72.0	12	37.5
Client-Program Communication Problem						
Did not receive DHS notice of requirement	13	18.3	na	na	na	na
Did not understand requirement	7	10.0	0	0.0	4	12.5
Unable to contact staff by deadline	8	11.3	na	na	na	na
Other communication problem with staff	2	2.8	4	4.9	1	3.1
Did not want to deal with program or staff	5	7.0	0	0.0	1	3.1
Subtotal	35	49.3	4	4.9	6	18.8
Other						
Had moved or was out of town	2	2.8	4	4.9	0	0.0
Chose not to comply	5	7.0	1	1.2	0	0.0
Already had a job	3	4.2	1	1.2	1	3.1
Forgot about requirement	1	1.4	4	4.9	0	0.0
Other	2	2.8	8	10.0	4	12.5
Missing Data	0	0.0	1	0.5	9	28.1
Subtotal	13	18.3	19	23.2	14	43.8
Total	71	100.0	82	100.0	32	100.0

SOURCE: The LBP Survey.

NOTE: Statistics are based upon 185 respondents and "na"=not applicable. Some percentages may not sum exactly to 100.0 due to rounding.

TABLE C.10

CONTRIBUTING FACTORS IN SECOND LBP ASSIGNMENT

	Percentage ^a
Personal or Family Problem	
Problems with transportation	46.5
Problems with work or school schedule	21.1
Problems with child care	34.6
Problems with health of another family member	13.0
Problems with own health	20.5
Other personal problem	3.2
Chose not to comply	2.7
Factors Relating to Program Experience	
Lack of understanding of program requirements	27.6
Location of PROMISE JOBS office	23.8
Experiences with program staff	21.6
Hours of PROMISE JOBS office	16.2
Communication problems with program staff	2.7
Did not make or keep PROMISE JOBS appointment	5.5
Did not comply with other program requirements	4.3
Other Factor	2.2
None	4.9

SOURCE: The Second LBP Survey.

NOTE: Statistics are based upon 185 survey respondents.

^aPercentages can sum to more than 100 because multiple responses are possible.

TABLE C.11

SELF-REPORTED STANDARD OF LIVING

	Number	Percentage
Better During than Before Second LBP	52	28.1
Same During as Before Second LBP	77	41.6
Worse During than Before Second LBP	56	30.3
Total	185	100.0

SOURCE: The Second LBP Survey.

NOTE: Percentages may not sum exactly to 100.0 due to rounding.

TABLE C.12
EMPLOYMENT

	Percentage		Percentage Point Change
	Month Before Second LBP	Month During Second LBP	
Employment Status			
Working	33.0	42.7	9.7
Not Working	67.0	57.3	-9.7
If Working, Number of Jobs			
One	93.2	88.5	-4.7
Two or More	6.8	11.5	4.7
If Not Working, Reasons Why ^a			
Looking for a job	32.3	34.9	2.6
Child care problem	33.1	27.4	-5.7
Own disability/health problem	14.5	20.8	6.3
Transportation problem	14.5	13.2	-1.3
Does not want to work	12.1	9.4	-2.7
Other's disability/health problem	4.8	6.6	1.8
Personal or family issue	7.3	5.7	-1.6

SOURCE: The Second LBP Survey.

NOTE: Statistics for number of jobs are based upon 59 survey respondents who were working in the month before the second LBP and 79 survey respondents working in a month during the second LBP; statistics for reasons for not working are based upon 124 survey respondents not working in the month before the second LBP 106 survey respondents not working in a month during the second LBP. Some percentages may not sum exactly to 100.0 due to rounding.

^aPercentages can sum to more than 100 because multiple responses are possible. Listed responses are those given by at least 5 percent of nonworking respondents in at least one of the months.

TABLE C.13

PRIMARY JOB AMONG RESPONDENTS
WORKING IN MONTH DURING SECOND LBP

	Percentage
Industry	
Food Service	17.1
Social/Health Service	12.2
Business Service	9.8
Retail	8.5
Child Care	7.3
Construction	7.3
Temporary Agency	7.3
Entertainment	6.1
Manufacturing	6.1
Personal Service	6.1
Transportation/Public Utilities	4.9
Hospitality	3.7
Agriculture	2.4
Government	1.2
Occupation	
Laborer	22.0
Cleaning Person	11.0
Waitress	11.0
Clerical/Administrative Worker	9.8
Babysitter/Child Care Provider	7.3
Cashier	7.3
Cook	6.1
Driver	4.9
Manager	4.9
Nursing Assistant	4.9
Sales Person	4.9
Entertainer	3.7
Counselor	2.4

SOURCE: The Second LBP Survey.

NOTE: Statistics are based upon 79 employed survey respondents. Some percentages may not sum exactly to 100.0 due to rounding.

TABLE C.14

CHARACTERISTICS OF PRIMARY JOB AMONG RESPONDENTS
WORKING IN MONTH DURING SECOND LBP

Characteristics of Primary Job	Percentage or Mean Value
When Respondent Started this Job (%)	
Before second LBP	31.6
After second LBP	68.4
Duration of Employment at this Job (%)	
1 to 3 months	60.3
4 to 6 months	23.1
7 months or longer	16.9
Usual Weekly Hours (%)	
Less than 20	5.2
20 to 29 hours	20.8
30 to 39 hours	33.8
40 to 49 hours	33.8
50 or more hours	6.5
Health Insurance through Employer (%)	
Yes	8.9
No, but is available	27.8
No, is not available	63.3
Other Fringe Benefits Provided by Employer (%)	
Paid Sick Leave	17.7
Paid Vacation	32.9
Average Number of Hours per Week	34.9
Average Hourly Pay	\$6.58
Average Monthly Earnings	\$924.84

SOURCE: The Second LBP Survey.

NOTE: Statistics are based upon 79 employed survey respondents for when respondents started job, health insurance, and other fringe benefits; 78 for duration of employment; 77 for usual weekly hours and average hours per week; 71 for hourly pay; and 70 for monthly earnings. Some percentages may not sum exactly to 100.0 due to rounding.

TABLE C.15

CURRENT RECEIPT OF FIP BENEFITS

	Number	Percentage
Currently Receiving FIP Benefits		
Yes	29	15.7
No	156	84.3
If Currently Receiving FIP, Means of Return to FIP		
Appealed second LBP assignment	12	41.3
State canceled second LBP assignment	8	27.6
Other	9	31.0
Subtotal	29	100.0
If Not Currently Receiving FIP, Status of Any Appeal		
Appeal filed and pending	22	14.1
No action towards appeal	134	85.9
Subtotal	156	100.0

SOURCE: The Second LBP Survey.

NOTE: Some percentages may not sum exactly to 100.0 due to rounding.

TABLE C.16

PARTICIPATION IN PUBLIC ASSISTANCE PROGRAMS
AS REPORTED BY SURVEY RESPONDENTS

Assistance Program	Percentage Receiving Assistance in Month:		Percentage Point Change
	Before Second LBP	During Second LBP	
Food Stamps	79.5	71.4	-8.1
Medicaid	71.4	75.7	4.3
WIC	36.4	37.8	1.4
SSI	5.4	7.0	1.6
Unemployment Compensation	0.5	1.6	1.1
General Assistance	1.1	2.2	1.1
Emergency Assistance	2.2	3.8	1.6

SOURCE: The Second LBP Survey.

NOTE: Statistics are based upon 184 survey respondents for emergency assistance during second LBP; all other statistics are based upon 185 respondents.

TABLE C.17
HOUSEHOLD INCOME BY SOURCE

	Mean Value of Income		Change in Mean Value
	Month Before Second LBP	Month During Second LBP	
Respondents with Nonmissing Data for the Given Source of Income			
Government Assistance ^a	\$442.21	\$330.31	-\$111.90
Earnings			
Respondent	\$207.00	\$358.61	\$151.61
Other household members	\$263.06	\$412.26	\$149.20
Child Support			
Formal	\$23.83	\$40.49	\$16.66
Informal	\$5.49	\$12.65	\$7.16
Other	\$38.59	\$39.26	\$0.67
Respondents with Nonmissing Data for All Sources of Income			
Government Assistance	\$452.04	\$340.45	-\$111.59
Earnings	\$484.34	\$808.33	\$323.99
Child Support	\$34.15	\$59.24	\$25.09
Other	\$37.38	\$40.69	\$3.31
Total Income	\$1007.91	\$1248.72	\$240.81

SOURCE: The Second LBP Survey.

NOTE: Percentages may not sum to 100 due to rounding. For “Respondents with Nonmissing Data for the Given Source of Income”, statistics based on 174 survey respondents for government assistance, 176 for respondent earnings, 174 for other household members earnings, 184 for formal child support, 183 for informal child support, and 180 for other source. For “Respondents with Nonmissing Data for All Sources of Income”, all statistics based on 155 survey respondents.

^a Includes FIP, Food Stamps, SSI, Unemployment Compensation, General Assistance, and Emergency Assistance.

TABLE C.18

CHANGES IN TOTAL HOUSEHOLD MONTHLY INCOME SINCE START OF SECOND LBP

Type of Change in Income	Percentage	Average Dollar Change
Increase	49.7	\$758
No Change	16.8	\$0
Decrease	33.5	-\$384

SOURCE: The Second LBP Survey.

NOTE: Statistics are based upon 155 survey respondents. Percentages may not sum exactly to 100.0 due to rounding.

TABLE C.19

SUPPORT FROM FAMILY, FRIENDS, AND NEIGHBORS

Type of Support	Percentage Receiving Support in Month:		Percentage Point Change
	Before Second LBP	During Second LBP	
Access to a Telephone	42.7	49.2	6.5
Transportation	40.0	43.8	3.8
Children's Clothes and Toys	33.5	35.9	2.4
Place to Stay	24.9	33.0	8.1
Money	21.6	28.1	6.5
Food or Meals	22.2	24.9	2.7

SOURCE: The Second LBP Survey.

NOTE: Statistics are based upon 185 survey respondents with the following exceptions: 184 for children's clothes and toys in month during second LBP and 184 for money in month before second LBP.

TABLE C.20
HOUSING MOVES AND HOMELESSNESS

	Percentage of Respondents	
	In the Past 12 Months	Since Start of Second LBP
Number of Different Homes or Apartments		
1	45.5	85.8
2	31.3	11.9
3+	23.3	2.3
Lived on the Street / Homeless	12.0	3.8
Other Adults Moved in with Respondent to Help Lower Costs	---	3.8
Respondent's Minor Child Moved Out	---	4.9

SOURCE: The Second LBP Survey.

NOTE: Statistics are based upon 185 survey respondents for other adults moved in with respondent and respondent's minor child moved out; 184 for lived on the street/homeless; and 176 for number of different homes or apartments. Some percentages may not sum exactly to 100.0 due to rounding.

TABLE C.21

SUPPORT FROM COMMUNITY AGENCIES

Type of Support	Percentage Using Support in Past Year		Percentage Who Did Not Use in Past Year
	And Since Start of Second LBP	But Not Since Start of Second LBP	
Food Pantry	18.4	24.8	56.8
Thrift Shop	18.4	15.1	66.5
Crisis Center	4.9	3.2	91.9
Soup Kitchen	4.3	0.6	95.1
Emergency Shelter	2.7	3.8	93.5

SOURCE: The Second LBP Survey.

TABLE C.22

PARTICIPANT EXPECTATIONS REGARDING FIP AND THE LBP
AT TIME OF INTERVIEW

	Number	Percentage
Expect to be Receiving FIP Benefits: Three Months from Now		
Yes	27	14.6
No	151	81.6
Uncertain	7	3.8
Expect to be Receiving FIP: One Year from Now		
Yes	17	9.2
No	158	85.4
Uncertain	10	5.4
If Expect to Receive FIP, Likelihood of Future LBP Assignment		
Very likely	4	9.1
Somewhat likely	5	11.4
Not very likely	12	27.3
Not at all likely	21	47.7
Uncertain	2	4.5

SOURCE: The Second LBP Survey.

NOTE: Statistics are based upon 185 survey respondents with the following exception: 44 for likelihood of future LBP assignment. Some percentages may not sum exactly to 100.0 due to rounding.