

Tracking County Responses to Welfare Reform

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Overview

Johnston County's Department of Social Services was once thought of an agency that "wrote checks,"¹ but now it brims with energy as staff work with clients to find jobs, provide needed additional support, such as child care, and seek solutions to the problems of long-term clients. The staff has a new respect for clients, and the county officials have a new respect for the agency. Work First has facilitated these changes, but four other factors seem equally important in shaping the agency's culture: (1) the management style of the DSS Director, Earl Maret, (2) a focus on customer-service and outcomes, (3) the implementation of statewide interagency task forces, (4) the diffusion of technological changes. Maret's own participation in the State Association of County Directors of Social Services (he is its current president) and DSS staff's community involvement have enabled DSS to identify opportunities to work with other agencies and community organizations. Technological advancements, such as, cell phones, listserves and e-mail, have allowed DSS to respond more quickly to problems, and to trade ideas and solutions with others.

During the implementation of welfare reform Johnston County has had to contend with the problems associated with rapid growth. Plus it has experienced political changes. In 1998 the Democrats century long control of the county commission ended and the long-term county manager was fired. Nevertheless, when it comes to planning and implementing welfare reform DSS seems to enjoy the approval of the political community.

The Policy Context

Johnston County is a rural area with a rich agricultural heritage. Most of the county's 107,000 residents still live in an unincorporated area (65 percent) or in a small town (23 percent). Of the county's 10 towns, only Smithfield (the county seat) has more than 10,000 residents. Nevertheless, the past decade has brought about a period of rapid growth, which has split the county in two. The area north of I-95, closest to Raleigh, has experienced growth; while the area

southeast of I-95 has remained more rural. As table 1 shows nine out of the county's ten towns have grown by 20 percent or more.

Table 1: 1998 Populations for Municipalities in Johnston County

Municipality	Population	% Growth since 1990
Benson	3,679	20.9
Clayton	7,743	62.8
Four Oaks	1,734	32.6
Kenly	1,939	25.2
Micro	479	14.9
Pine Level	1,480	21.6
Princeton	1,561	32.2
Selma	5,611	22.0
Smithfield	11,476	52.2
Wilson's Mills	774	31.9
Unincorporated	71,241	28.9
TOTAL	107,717	32.5

Source: Demographic and Economic Data Center, Wake County Department of Planning

The county's relative proximity to the affluent, job-rich Wake County has contributed to its growth. Clayton and Smithfield have experienced the highest growth rates; Clayton is 16 miles from Raleigh and Smithfield, 28 miles. New residents can reap the benefits of working in Wake County or the Research Triangle without paying the high housing costs. The average new home price for a home in Wake County is over \$190,000, while in Johnston County the average new home price is just over \$130,000.²

Agriculture remains an important industry. The county is the second largest producer of tobacco and oats in North Carolina, as well as first in the nation in sweet potato production. Most residents who work in the county are employed by local government, the retail industry, or manufacturers. Some of the county's top employers include the Bayer Corporation, Caterpillar, Inc., and Winn-Dixie Distribution Facility. Johnston County benefits from the current strong

economy with an unemployment rate of 1.8%.³ The per capita personal income is \$22,573, and the median family income of \$43,343 places the county in the upper 20% of the state.

The county has a seven-member Board of Commissioners, elected at-large to serve four-year terms. Terms are staggered, so that three or four commissioners' seats are up for election every two years. Johnston County has had a long history as a Democrat county. Of the county's registered voters, 51% are Democrats, 33% are Republicans, and 11% are unaffiliated. Democrats held the majority on the Board of Commissioners for more than 100 years until the 1998 elections when control of the Board of Commissioners shifted to the Republicans. The voters even elected a Republican sheriff—the first in over 70 years.⁴ Three months after the 1998 elections, the Board of Commissioners fired county manager Richard Self, who had managed the county for 13 years. When asked the reason for Self's dismissal, Commissioner Cookie Pope stated, "A majority of the new board members recently expressed a desire to have a county manager of its choice."⁵ Rick Hester, the assistant county manager, became acting county manager and then county manager. Hester was originally hired by Self as a planner and then later promoted to the assistant county manager's position.

Decision Dynamics—1997-98

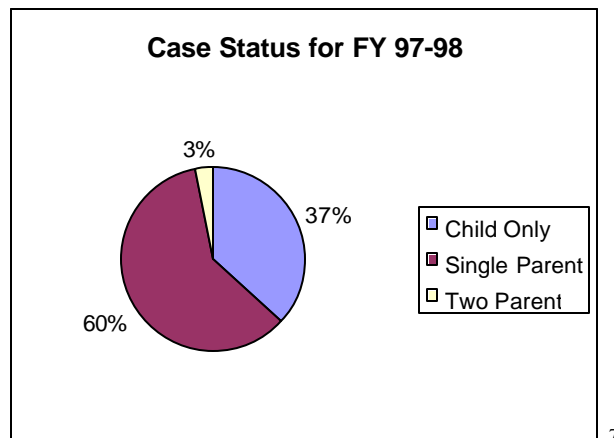
County commissioners and officials expressed little interest in become an elective county. Marett concluded that the county did not have enough to time to develop its own eligibility requirements. The DSS staff also felt that DSS could accomplish its objectives to get people to work and maintain themselves as a standard county. Richard Self contended that the county would have to "replicate the state structure, which defeats the whole purpose, and you don't get all that much freedom."⁶ Furthermore, staying a standard county in 1998 did not preclude the county becoming elective later if the "experiment" was successful. One commissioner served as chair of the Human Services Board, possibly diffusing any potential

conflict between the commissioners and DSS. On October 6, 1997 the commissioners unanimously voted that Johnston County be a standard County.

In November the Work First Planning Committee was formed. It was comprised of staff from Social Services, Mental Health, Public Health, various community organizations, the business community, the public school system, and a Work First client. By December the committee had approved a draft plan. It placed the plan in public libraries for public comment, and it sent a copy to the Johnston County Board of Social Services for review. By January 15, 1998 the plan was approved by the Board of Commissioners and sent to the State. Other than producing the plan the major outcome of the planning process was recognizing clients' needs for public transportation and child care. Self mentioned that the planning process raised questions about people who were "inappropriately receiving benefits," i.e., welfare recipients who were eligible for Supplemental Security Income (SSI). A teenage pregnancy program also had its inception in the planning meetings.

Goals, Objectives, or Program Priorities

As can be seen in the chart below, the majority of cases on Johnston County's welfare rolls in 1997 consisted of single-parent households. The second largest percentage of cases was Child-Only cases, which had no adult to fulfill an employment obligation. Johnston County's main goals were putting Work First eligible adults to work and improving child services.



Reducing the Welfare Rolls

Johnston County's first goal, following state mandates, was to reduce the Work First caseload by 15% in 1998-1999 and another 15% in 1999-2000. Even before putting the Work First plan into action, Johnston County experienced a significant caseload reduction. In June of 1995, the county had nearly 1400 cases. By August of 1997, the number stood at less than 1100. In order to reduce welfare rolls further, the county outlined the following strategies:

- Strengthen child support services to provide resources needed by families during the application process.
- Implement First Stop with the Employment Security Commission (ESC) to determine eligibility for Unemployment Insurance Benefits and for all applicants to have access to employment opportunities prior to receiving cash assistance.
- Work closely with other human service agencies such as the local coordinated transportation system and Partnership for Children to provide supportive services that were not previously available, such as extended hours and weekend services for child care and transportation.
- Coordinate with other agencies such as vocational rehabilitation and the social security administration in order to have the expertise to place participants with special needs or assist them with becoming approved for social security benefits or SSI.

Securing and Retaining Workforce Participation

The 25 percent reduction in the DSS caseload was attributed to strategies taken before Work First was implemented: contracting with the ESC to have a full time employment counselor housed in the DSS agency, day-to-day involvement with local businesses to secure employment opportunities for participants, and encouraging applicants to participate in a job search prior to receiving cash assistance.⁸

For the Work First plan, Johnston County developed additional strategies to help adults secure employment. These included:

- Working closely with the county’s economic development office and local chambers of commerce to match job opportunities with Work First participants.
- Planning with the community college to offer short-term vocational training in order for participants to obtain the skills needed to compete in the local market.
- Working with the county’s growing retail and service industries to develop new services such as “adopt-a-worker” program, transportation tax credits, and scheduling flexibility.

Johnston County recognized that getting a job did not guarantee self-sufficiency, so it also emphasized long-term job retention. The plan called for 85% of Johnston County’s Work First participants to stay off welfare at least 12 months. To help participants retain their jobs and not need to re-apply for benefits, DSS decided to provide participants with the basic skills needed to keep a job and to evaluate the existing job readiness program. DSS staff continued referring applicants who received cash assistance to an ESC employment counselor for an evaluation of their needs. The employment division offered support services and job development.

Reducing State and Local Expenditures

According to Rick Hester, county manager, welfare is a political issue “especially at budget time.”⁹ Although financial savings was a one goal of welfare reform in North Carolina, it was not one of Johnston County’s primary goals in designing and implementing Work First. Rather county officials emphasized its importance in helping participants increase and maintain self-sufficiency. For the commissioners cost saving was an issue, but it was overshadowed by the concern with managing growth.

A theme articulated by the DSS staff was the importance of assistance programs to the county's economy. In 1998 staff observed that small rural stores depended on customers who used food stamps. In 2000 Marett maintained that aid programs were still an important economic force in Johnston County: “Talk about what we put into food assistance. Where would our grocery stores be without us? Hospitals—we spend \$60 million in Medicaid.”¹⁰ According to Marett, 10% of Johnston County’s residents received Medicaid. Both Marett and Hester observed that

Work First clients were no longer perceived as an economic drain on the community. Hester noted, "When these folks get off welfare and move on to work...it's proving its value there because then they become taxpayers." He went on to point out that DSS gets a "tremendous amount of respect," and that it has a good reputation for responding to county-wide emergencies.

Insuring the Well-Being of Children

The plan developed by Johnston County placed strong emphasis on the welfare of children. At the time of the plan's creation, Child-Only cases made up 60% of the county's caseload. To ensure the health and safety of children, Johnston County proposed the following strategies:

- Monitor children and their families whose assistance was terminated at the end of their two year eligibility period every two weeks for three months to be sure that they have adequate food, clothing and shelter.
- Track family disruptions resulting from the termination of benefits and create plans to minimize those disruptions.
- The Johnston County Schools, Mental Health, and the Health Department would all be involved in the delivery of services promoting child well-being.

In addition to these strategies, Johnston County provided additional funding for Child Welfare Services for updated automation and communication equipment. The county also provided pay incentives for child protective services workers to reduce turnover.

Reducing Child and Family Poverty

The vision of the Johnston County Work First Program is to "assist Work First families to attain self-sufficiency and to enhance their quality of life."¹¹ Terry Keene, Work First Program Director stated, "My goals were helping people get to work and having people realize that it's [being on welfare] not permanent. That it's a temporary situation."¹²

The plan called for partnerships with public and private organizations to support families in their move toward self-sufficiency. It also required more training for new DSS employees so they were more knowledgeable about county-wide resources. Johnston County's plan focused all

of its services, including assistance for transportation and childcare, into enabling participants to keep a job long enough to become self-sufficient, thereby no longer living in poverty and being on the welfare rolls. The plan called for a contract with Johnston County Area Transportation System (JCATS) to provide transportation to work and employment for participants for up to four months. This free service would be limited to those with incomes less than 135% of poverty. Clients who worked in Johnston County Schools would be allowed to ride school buses to work in exchange for serving as bus monitors. The creators of the plan hoped that child care and transportation costs would not be a barrier to participants' move towards self-sufficiency.

Program Implementation: 1998-2000

The first two years of implementation have led to a feeling of more autonomy and discretion in various areas. One of the greatest advantages appears to be the flexibility in the use of funds. Keene is thrilled. "I've never had the flexibility to be able to help folks give money like we're doing now, like with car repairs," she says. At the same time she realizes that the flexibility of Work First has worked because of the booming economy and the lower welfare caseload, giving the agency a chance to innovate to solve the problems of the apparently intractable cases.

Marett agrees, but emphasized customer service. "We're trying night hours now," he explains. "It's just one night, but we're trying to accommodate people who are working 8 to 5, and hourly wage employees who lose salary if they come to do their reviews." He is also measuring how long clients have to wait in the DSS waiting room. He says he wants to make sure "that people haven't waited an inordinate amount of time." The client focus pervades Johnston County's decisions on what programs to develop and support. The county supports a teen parenting program with the goal of reducing repeat pregnancies and encouraging high school graduation for young mothers. It also contracts with Day by Day, a nonprofit substance abuse treatment center, perinatal program, and halfway house.

All players agree that Work First would not be successful in Johnston County without the work and support of other public agencies and nonprofits. Organizations like Harbor (a domestic violence program), Family Partners, and Johnston County Industries (vocational evaluation and training) have made many of Johnston County's success stories possible. Although community organizations were always active in Johnston County, Work First has encouraged partnerships to provide better services. "Work First sort of forced us out into relationships," says Marett. "I think it taught us a little bit about how to use those relationships."

For example, Terry Keene appreciates the expertise of the staff at Johnston County Industries. "They [clients] go in for 30 days," she says. "They actually do different types of work within the rehab center, and the staff observes them." The staff provides a vocational evaluation of the client and identifies those skills which clients need to improve in order to get and keep a job.

Despite the overall success, implementing the new plan was not always a smooth process. At the beginning, reaction to the new state mandates were mixed. "Is it true? Are there really going to be time limits, or are they going to change it within a year?" remembers Keene. Many of the staff and clients were frightened by the idea of terminating assistance after two years. Keene's own concerns stemmed from her experience as a former employee of the Employment Security Commission. She felt that if the economy failed, Work First clients would be the first employees laid off and would no longer be eligible for assistance. The continuation of the strong economy has allayed those fears. "Now they've got three to four years of work experience," she says.

Keeping staff motivated has been a problem at times, according to Keene. "We started out so successfully, and it's slowed down. We're not getting the feedback, and we're not having as many successes," she says. "The ones that can work and can be successful are gone," she laments. Those who have not been able to transition successfully to employment often have serious problems such as substance abuse.

Regardless of the setbacks, Johnston County is proud of its record. Johnston County's welfare rolls have declined a total of 62 percent -down from 1382 families in June 1995 to 526 families in July 1999. More than 1398 families have gotten jobs and gotten off welfare. 93% of these families have stayed off welfare for at least 12 months after going to work. Of the 526 families still on the caseload, 368 are child only cases.¹³

Assessment

It is undeniable that dependence on welfare has been greatly reduced in Johnston County. Nevertheless, Johnston County's success may not be entirely due to welfare reform. Even before the new plan was implemented, the Johnston County welfare caseload was decreasing. Marett and Keene cited two factors that contributed to the decreased caseload: the economy and technology. "I think the economy's what helped us out," says Keene. "It's definitely the economy." Low unemployment has meant jobs for participants who may have previously had difficulty getting a job, not to mention better wages. "There are a lot of people now that that will leave [a job] for that 15 cents or quarter an hour difference in pay," she says.

Marett credits technology with much of Johnston County's success. "We had one big screen printer that everybody had to use and they had an hour a week. They would literally fight the other ones to get in their time, because they had to enter their records and make the copies. Now we're scanning all our old records and putting them on CDs,fn." Besides creating a more pleasant working environment, Marett is pleased by the increased speed of service. "We can work faster, more efficiently, and smarter because we invested money into technology." Another technological advance cited by Marett was the use of listserves. The North Carolina Association of County Directors of Social Services maintains a listserve and messages of "what do you do about this situation?" are common.

The energy observed especially in Keene's remarks cannot be attributed solely to the flexibility allowed by Work First. Flexibility and empowerment were part of the director's

management style. Prior to becoming DSS Director in 1988 Marett had worked in mental health for 16 years when it was growing and "you were allowed to be creative." Based on his background he sought to empower staff and foster their creativity. Consistent with current management trends he emphasizes customer service and outcomes. The customer service focus was demonstrated in the previously cited decision of DSS to have evening hours. Nevertheless, a more convincing example was the agency's rapid non-routine response to the 1999 flooding caused by Hurricane Floyd or the heavy snow of January 2000. The agency had Sunday hours and by-passed normal procedures to assure that people's critical needs, especially for food, were met.

Similarly the interagency cooperation and innovation associated with Work First may be attributed to other factors. Marett noted that during Governor Hunt's administrations various statewide initiatives brought departments and agencies into contact with each other. From these contacts participants became used to working with each other and exploring opportunities for collaboration. On a local level a similar process occurred as staff developed contacts through their community involvement. From these contacts developed opportunities to work together to solve a specific problem.

Overall Marett hypothesizes that Work First reflects a general social trend that has caused the change in how agencies do business. Hester credits the Social Services Advisory Board and the Johnston County DSS. "That all reflects on the people that serve on that board and the leadership," he says. "It's a strong department in every area."

¹ Interview with Rick Hester, July 2000

² Williams, Bob. "Home-Buying Rules Getting Rewritten," The News and Observer, February 8, 1999

³ North Carolina Department of Commerce (1999)

⁴ Musante, Glenna. "Johnston's GOP Leaders Say Consensus is Key," The News and Observer, November 13, 1998

⁵ Musante, Glenna. "Johnston Manager Loses Job," The News and Observer, January 12, 1999

⁶ Interviews with Earl Marett, Betty Barnes (Income Maintenance Supervisor), Richard Self, July, 1998.

⁷ Johnston County Work First Plan, January 15, 1998

⁸ Johnston County Work First Plan, January 15, 1998

⁹ Interview with Rick Hester, July 2000

¹⁰ Interview with Earl Marett, June 2000

¹¹ Johnston County Work First Plan, January 15, 1998

¹² Interview with Terry Keene, June 2000

¹³ Johnston County DSS website: <http://www.co.johnston.nc.us/dss/work.htm>