

# Tracking County Responses to Welfare Reform

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## **Overview**

Planning for Work First coincided with a major change in Wake County's delivery of social services. After nearly a decade the N.C. General Assembly acceded to Wake County's proposal to merge its departments of mental health, public health, and social services as well as job training and housing services into a single agency, Wake County Human Services (WCHS). At approximately the same time the county began two management initiatives, i.e., promoting partnerships among agencies, nonprofits, and businesses, and adopting results-based management. Work First was consistent with these initiatives, and the creation of WCHS eliminated agency boundaries that impeded innovation. During the 1990s the county experienced continued population growth and prosperity. Problems of overcrowded schools and highways over-shadowed welfare on the political agenda. The good economy, the reality of limitations on welfare eligibility, and the flexibility encouraged by Work First WCHS staff had the resources and time to concentrate on the problems of the more intractable welfare recipients.

## **The Policy Context**

Wake County has had a fortunate decade. Home of Raleigh, the state capital, the county has a relatively wealthy and well-educated population. A largely urban county, in 1998 its estimated population was 575,000, making it the second most populated county in the state. Its largest cities are Raleigh, Cary, and Garner. As shown in Table 1 smaller towns such as Apex, Holly Springs, Knightdale, Wake Forest, and Fuquay-Varina have experienced rapid growth. Those municipalities located in the western part of the county are expected to continue to grow at a high rate due to their proximity to the Research Triangle Park (RTP).

**Table 1: 1998 Populations for Municipalities in Wake County**

<b>Municipality</b>	<b>Population</b>	<b>% Growth since 1990</b>
Apex	14,640	206
Cary	86,610	95
Fuquay-Varina	6,587	48
Garner	18,263	24
Holly Springs	6,738	558
Knightdale	4,868	158
Morrisville	2,476	66
Raleigh	269,211	27
Rolesville	801	40
Wake Forest	9,905	70
Wendell	3,740	28
Zebulon	4,490	42
Unincorporated	146,499	14
<b>TOTAL</b>	<b>574,828</b>	<b>35</b>

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

Many county residents work for one of the local technology companies. International Business Machines (IBM), Northern Telecom, Inc. (Nortel), and Glaxo-Wellcome, all located in RTP, are some of Wake County's largest employers. Other major employers include North Carolina state government, local governments, North Carolina State University, and hospitals such as Rex Healthcare and Wake Medical Center.

The expanding economy of Wake County is characterized by a low unemployment rate, a relatively high average annual wage per worker of \$30,790,<sup>1</sup> and an educated work force. Its unemployment rate of 1.5% is the second lowest in North Carolina.<sup>2</sup> The median family income in 1999 was \$66,364,<sup>3</sup> the highest in the state. The county boasts the highest percentage of high school graduates in the state; over 85% of its residents have a high school diploma. Over 35% have earned a college degree.<sup>4</sup>

Wake County is governed by 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. Although 46% of Wake County's registered voters are Democrats

(compared to 36% Republican and 18% unaffiliated), the Republicans held the majority on the Board of Commissioners from 1994 until 1998, when the Democrats regained control. Despite political changes, Richard Stevens (a Democrat) remained county manager from 1984 until he retired in July 2000. David Cooke, the previous assistant manager, was appointed to replace him.

### **Time Frame--Highlights**

In 1996, under the leadership of county manager, Richard Stevens, the North Carolina General Assembly allowed the county to consolidate social services, public health, mental health, job training, and housing services into one agency, Wake County Human Services (WCHS). The respective governing boards, i.e., the boards of mental health, social services, and public health were disbanded, and a Human Services board was formed. The change was unanimously supported by both Republican and Democratic legislators from Wake County. At the time, Stevens said the goal was to "improve delivery and coordination of welfare services under one agency and save money for taxpayers."<sup>5</sup> This change concentrated the county manager's power. Previously, the three agency directors were hired by and reported to the independent boards. With consolidation the county manager now appoints the Director of WCHS after consulting with the Human Services Board.

This change appealed to the Republican Board of Commissioners. In 1994, when the Republicans gained control of the Board, the main issue in the elections was efficiency and fiscal conservation. According to Budget Director Raymond Boutwell, the merger offered an initial savings of \$625,000.

### **Decision Dynamics—1997-98**

In 1997 the Wake County Commissioners designated the Wake County Human Services Board as Work First planning body. The Human Services Board directed the staff to assemble a Work First Planning Committee and to prepare a plan for its review.

There was little controversy over “electing” or “standard” county status among members of the Work First Planning Committee. According to the minutes of the Wake County Human Services Board meeting of September 25, 1997, the committee seemed to feel that the state plan was sufficient for the goals that Wake County wished to accomplish. H. Pete Fortner, a board member, pointed out as an electing county Wake County would have to design its own eligibility criteria, establish administrative systems to support the new system, assume the responsibility of a check writing system, and develop an automation system to supply the information needed to show compliance with federal program requirements. As a standard county, the North Carolina Department of Health and Human Resources (DHHR) would be responsible for establishing eligibility criteria and payment practices of Work First Family Assistance. The board was concerned that the state would not allocate extra funds to the electing counties; consequentially, monies spent to implement being an electing county would detract from its benefits. The Wake County Human Services Board unanimously voted to recommend that Wake County be a standard county. The Board of Commissioners accepted the committee’s recommendation, and in October 1997 voted that Wake County be a standard county.

The Board approved two phases of planning. The first phase included the writing of the Work First plan for submission to the State. The second phase was an ongoing community-wide effort led by the Human Services Board to continuously plan for and respond to the changing needs of the community and Work First participants.

After developing an initial plan, the Human Services Board sought comment from the public through several different outlets. They posted the plan on the Wake County Human Services Web site, placed the plan in public libraries, conducted a focus group with tenants of the Raleigh Housing Authority, and reviewed the plan with the Wake County Area Business Advisory Council. After reviewing public comments, the Board revised the plan and submitted it to the state on January 15, 1998.

## Goals, Objectives, or Program Priorities

When developing its Work First Plan, Wake County defined three population sub-groups among its Work First rolls:

- Individuals who needed assistance for a short period of time and who would move into sustained employment;
- Individuals who, for a variety of reasons, would move in and out of employment, and who would use assistance for the period of time that they were unemployed; and
- Individuals who would remain on assistance for various reasons without moving into the labor market.

These three sub-groups represented about 2,000 households in Wake County. The remaining households receiving assistance were child-only cases or cases in which a child was under one year of age. These two household types were not mandatory Work First participants. After identifying the Work First target population, Wake County produced its goals and objectives.

### **Reducing Child and Family Poverty**

The 1998 Work First progress report stated the goal that serves as the basis for organizing and evaluating the Work First program.

Human Services' foremost goal is to help people improve the quality of their lives and become more self-sufficient; in the case of Work First participants, to help them move out of poverty. Self-sufficiency goes beyond decreasing people's dependence on government assistance; it is helping them garner skills and resources to be more able to provide for themselves and their families—economically and socially.<sup>6</sup>

This goal was articulated by various county actors. David Cooke, Assistant County Manager throughout Work First planning and its initial implementation, restated the goal and focused on the results of getting a job, retaining it, and surviving without further dependence on "getting more money from government."<sup>7</sup> The County Board of Commissioners added that Work

First participants in Wake County should develop skills that would allow them to become and remain employed and to become economically self-sufficient through work.

Wake County has 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. Cooke stated,

You've got to be concerned that if that person got off welfare, got a job, but wasn't able to keep it because they couldn't work out transportation, did we achieve anything? My statement would be that we didn't achieve anything. So maybe we need to make sure that the person who needs to get off welfare that gets the job, gets the transportation, [and] gets the other support services that they need.<sup>8</sup>

### **Reducing the Welfare Rolls**

Wake County's first stated goal, following state mandates, was to reduce the Work First caseload by 15% by June 30, 1999. In order to accomplish this goal, the county outlined the following strategies:

- Emphasize employment before taking an application for cash assistance and make appropriate referrals to employers and employment resources such as the JobLink Career Center (a collaboration between Wake County and Johnston County)
- Extend one-time grant diversion for up to three months to individuals who are usually employed but turn to welfare because of short-term financial distress. This preventative measure would keep families out of the welfare system.
- Include the Employment Security Commission's registration with the Work First application office in the Wake County Human Services Center.
- Increase follow-up with former Work First recipients after their initial job placement to increase job retention and to avoid re-application for cash assistance.

## **Securing and Retaining Workforce Participation**

Wake County's second stated goal was to put 1,336 Work First participants to work during the 1998-1999 fiscal year. One of the county's main strategies involved approaching job development and employment placement with businesses in the community. Other strategies included:

- Exploring opportunities for small business development by collaborating with the NC Coalition of Minorities for Economic Development and Wake Technical Community College.
- Hosting quarterly job fairs in cooperation with the Wake County JobLink Career Center, giving employers the opportunity to interview Work First participants on-site.
- Partnering with the Greater Raleigh Convention and Visitors Bureau to target jobs in the hotel and restaurant industries by geographic location.
- Individualized career counseling, skills training, job development and placement, on-site job coaching, and follow-up for participants.
- Supporting participants by referring them to credit counseling and budget planning services to develop personal finance skills.

The plan called for 85% of Wake County's Work First participants to retain their jobs for at least 12 months. To help participants retain their jobs and not need to re-apply for benefits, the county decided that Work First case managers would monitor participants' progress on and off the job. They would also be offered an active training program to help them advance their skills and pay levels. The case managers would refer families to child welfare/family support staff or substance abuse professionals if necessary. Wake County also decided to use TANF (Temporary Assistance to Needy Families) savings to offer child care subsidies to working families who no longer qualified for TANF benefits and for whom lack of daycare would be a barrier for continued employment.

With the consolidation of Wake County Human Services, existing employment and support programs were consolidated into a single, comprehensive vocational service system called the Vocational Services Unit. The top priority of this new service was (and is) Work First. Included in this process was the designation of a Work First Program Manager for Wake County. This was a commitment on the part of Wake County to move Work First from an eligibility and income maintenance program to a focus on employment and self-sufficiency.

## **Reducing State and Local Expenditures**

Although financial savings was one of the reasons for welfare reform in North Carolina, it was not one of the primary goals found in Wake County's Work First Plan. Cost savings was certainly an issue for the mostly Republican Board of Commissioners. The commissioners and county manager of Wake County felt that the merger of the three social service agencies into WCHS would result in financial savings for the county, and Work First participants should be served with greater efficiency and less waste. Nevertheless, for the Human Services board and WCHS staff the main goal was helping participants increase and maintain self-sufficiency.

## **Ensuring the Well-Being of Children**

To ensure the health and safety of children, Wake County developed the following goals:

- Establish new child support orders for Work First families;
- Help create an environment in which children have a loving relationship with their parents and with other adults;
- For those children in the Child Welfare system, assure that they have a case plan which addresses safety issues;
- Assure that children live and play in safe and healthy environments; and
- Provide age-appropriate developmental stimulation that supports children's learning and development.

To move families toward self-sufficiency, the Wake County Human Services Child Support Enforcement Agency intended to establish 300 new child support orders for the Work First families over a 12-month period. The child support amount would be equal or greater to the North Carolina statewide average.

In order to assure success for children, the county planned a summit with the Triangle United Way, the faith community, and other community nonprofits to recruit volunteer mentors and train and support child care workers and teachers. The county hoped to increase the number of adult volunteers and mentors and the number of children participating in church and youth

organizations, and to decrease the number of referrals and substantiations to Child Protective Services.

Wake County was fortunate to have Safekids, the SAFFE Coalition (Substance Abuse Free Families and Environments), SafeChild, and other community nonprofits that address issues of parenting, child abuse, and neglect. By supporting and working with these agencies and various county health agencies, Wake County hoped to reduce children's length of stay in foster care, improve childcare centers, and decrease emergency room and hospital visits.

### **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. According to Barbara Harris, Work First Program Coordinator, "[We] were channeled into thinking you can only spend \$200 on this family for family assistance or family support or worker's assistance. Well, those bans were lifted, and you could do whatever the family needed within reason to help them to achieve.<sup>9</sup> Jack Rogers, Director of Economic Self Sufficiency, observed that Work First acts as a funding stream allowing the county to fund activities that will achieve WCHS goals. Over the past two years the county has been able to shift from focusing on getting folks employed to strengthening families.

All players agree that Work First would not be successful in Wake County without partnerships. David Cooke stated, "You've got to first admit that you can't do it all. The only way you can do that is by partnering with other people."<sup>10</sup> Wake County has followed this mantra and collaborates with nonprofits such as Interfaith Hospitality, Urban Ministries, Wake Technical Community College, the Raleigh Vocational Center, and InterAct. For example, Wake County has contracted with the Christian Women Jobs Corps to provide mentoring services. Representatives from nonprofits and county government serve on the Work First Steering Committee, which developed from the community forums that participated in Work First

planning. The steering committee brainstorms and helps solve problems that affect clients, e.g., resolving the lack of evening day care. Similarly, even prior to the initiation WCHS had a business advisory council. Rather than just meeting the business members undertake projects to improve client outcomes, e.g., conducting workshops on interviewing and participating in job fairs.

The county employees with the most responsibility for Work First represent two of the merged agencies. Jack Rogers previously worked with mental health, and Barbara Harris with social services (DSS). Rogers hypothesized that a mental health background contributes to greater flexibility in tackling welfare-related problems; whereas, a social services background with its reliance on rules keeps things in balance. Although not explicitly mentioned the DSS perspective may serve to assure equity and develop priorities if demands overwhelm resources. Furthermore, Barbara Harris cited the need for state oversight to make consistency among the state's 100 counties.

In addition to more flexibility, workers seem to be enjoying a sense of increased autonomy. Barbara Harris says, "I personally think it's a more rewarding job, and I take it from the standpoint that we're trying to help people to achieve, versus helping people to stay the same. In a way I find there's a broader freedom to help them develop and learn new skills, look at new avenues." She does, however, attribute some of Wake County's success to the reorganization of its social services agencies. "We have case managers and job counselors who work on the same team with the same client. And that was unheard of in our old structure. I think that has enhanced the possibility to deliver services to the families." Cooke agrees that the new structure has greatly enhanced Wake County's delivery of service: "It didn't make sense to me that you had a separate DSS and a separate board and then a public health department and mental health, because sometimes you're dealing with the same populations. So the same client goes to three different agencies to get services. Now they come to one." He also points out that it improved relationships between the employees and the local government: "With the change, every

employee in Human Services works for the county. There are no split relationships or split accountabilities from any of those positions except for Cooperative Extension. So all those employees work the for the county, and I think that helps.”

Wake County's prosperity prevents welfare from completely disappearing. People come in from other parts of the state and county looking for jobs and needing financial assistance, largely because they are hit by the high cost of housing.<sup>11</sup> Wake County approves over 300 Work First applications per month. At least half the number represent new applications to Wake County. Employees working at minimum wage have a hard time scrapping together money to rent an apartment or house, which may require first and last month rent along with a security deposit. A collaboration in the making is to set up a housing resource center, similar to JobLinks.

According to Rogers one of the most difficult parts of creating the plan was developing performance measures due to a lack of organized data to serve as a baseline. Dan Edwards, policy analyst, agreed, “One thing I would do if I had to do this over is cut back on the number of performance measures we {originally} put in there.”<sup>12</sup> Currently, the tracking follows state requirements; however, eventually Rogers would like to see a more sophisticated and integrated system so that services and outcomes can be linked to a specific client.<sup>13</sup> Nevertheless, David Cooke probably represents the attitudes of WCHS staff and other county employees when he said, “If you’re only worried about completing the paperwork for whatever client or customer you’re dealing with, and it doesn’t change the outcomes, then we really haven’t done any service to anybody.”<sup>14</sup>

Although the child-only cases have remained relatively steady over the past 2 years (between 1100 and 1200), the number of Work First caseloads has dropped from 2442 households to less than 1000. Within the first year, the program fell short of its goal of getting at least 35 percent of welfare families into the Work First program. The county met its goal two months later, missing the goal was still disappointing. The greatest success story within the first

year was that its one-time cash grants for emergencies and help finding child care kept 169 families from getting on welfare in the first place, well above the goal of 120.<sup>15</sup>

## **Assessment**

It is undeniable that dependence on welfare has been greatly reduced in Wake County. Almost nine in 10 participants in the Wake County Work First program have managed to stay off welfare after going to work.<sup>16</sup> Nevertheless, to claim that these are the results of welfare reform is premature. Although she is delighted about the decrease in welfare rolls, Barbara Harris admits, "You cannot underestimate the impact that a good economy has had." Jack Rogers is also cautious about the economy: "Say we have a depression. Then all bets are off."

Wake County is currently enjoying record low unemployment. "The strong economy is creating jobs so fast that employers are scrambling to fill them, and that means the scales have tipped in favor of the worker - even the untrained entry-level worker."<sup>17</sup> This has obviously affected the success of the Work First program. How much impact the economy has had is yet unknown, and county participants seem nervous regarding a downturn. "That's the test," says Cooke, "When the economy turns sour."

Still the chances are slim that "welfare as we know it will return." Employees have been empowered. The consolidation of human services, the promotion and implementation of partnerships, and the focus on outcomes all contribute to more flexibility and innovation in meeting the needs of the county's disadvantaged populations. The county's prosperity and changes in county government facilitated the impact of Work First. Cooke points out that combining the three departments into one agency has improved customer service, improved employee-government relationships, and provided cost savings for Wake County. Harris and Rogers agree that the merger has allowed Wake County to administer the Work First program more efficiently and effectively.

Although Wake County is on track to meeting all the goals and outcomes of its original Work First plan, it cannot be concluded that its success can be attributed to the legislation of welfare reform. Its unique restructuring of the Human Services agency occurred in 1996, less than two years before the plan was implemented. The economic growth of the past eight years and the county government initiatives make it nearly impossible to give credit for Wake County's success to any single action. Regardless of the reason, those involved in the program seem very happy with the progress. "I think it's working," says Barbara Harris.

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<sup>1</sup> North Carolina Department of Commerce (1997)

<sup>2</sup> North Carolina Department of Commerce (1998)

<sup>3</sup> North Carolina Department of Commerce (1999)

<sup>4</sup> North Carolina Department of Commerce (1990)

<sup>5</sup> Rawlins, Wade "County Forges Ahead on Consolidating Services" The News and Observer, June 27, 1996

<sup>6</sup> Wake County Human Services "Work First Progress Report," June 1998

<sup>7</sup> Interview with David Cooke, July 2000

<sup>8</sup> Interview with David Cooke, July 2000

<sup>9</sup> Interview with Barbara Harris, July 2000

<sup>10</sup> Interview with David Cooke, July 2000

<sup>11</sup> Interview with Jack Rogers, July 2000.

<sup>12</sup> Interview with Jack Rogers and Dan Edwards, May 1998

<sup>13</sup> Interview with Jack Rogers, July 2000.

<sup>14</sup> Interview with David Cooke, July 2000

<sup>15</sup> Easley, Matt "Wake Work First Gets Families off Welfare," The News and Observer, July 8, 1999

<sup>16</sup> Easley, Matt "Wake Work First Gets Families off Welfare," The News and Observer, July 8, 1999

<sup>17</sup> Buggs, Shannon "The Land of Full Unemployment," The News and Observer, July 26, 1998/