

Design of the Impact/Outcome Evaluation of Ohio Works First

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Introduction

As a response to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Ohio Works First (OWF) was implemented in October 1997. The program is intended to provide counties with the opportunity to assist welfare recipients in attaining self-sufficiency, thereby decreasing welfare dependency. OWF put into place specific work and training requirements, income disregards, time limits, and assistance for potential recipients who find themselves in acute instances of financial distress. The approach was fashioned to allow counties discretion in how the requirements would be implemented.

With an intense interest in understanding whether OWF and each of its component elements worked, an evaluation was authorized. However, since OWF was implemented statewide, the program or any of its components could not be evaluated through a classical randomized experiment. Therefore, it was decided to undertake a non-experimental approach.

Macro International was selected in the fall of 1998 to evaluate OWF. The evaluation, which would report on program experience between 1997 and 2002, originally consisted of two components: 1) a process analysis and 2) an impact study. The process study included an examination of OWF implementation, a survey of former recipients (i.e., leavers), a survey of county staff involved in administering welfare, a survey of employers, and a cost-analysis. The impact study included an analysis of administrative data, and of responses from a panel of welfare recipients measured at a base line and two additional periods.

The research approach emphasized two different perspectives. The first perspective was to provide program assessments statewide, while the second was to focus on activities and outcomes in 10 counties. This approach provides the opportunity to describe the implementation and outcomes in detail while allowing a description of the implementation and outcomes across all 88 counties. The intense analysis was particularly important since we would be able to capture how different program implementation approaches affect outcomes.

During the initial design phase of the contract, the approach was modified in three ways. First, the focus was shifted from measuring impacts to examining outcomes within the context of specific program interventions. Second, we increased the emphasis on an approach that would more closely integrate

the process and outcome studies. This would allow us to more thoroughly integrate qualitative and quantitative findings. Third, we sought to integrate the evaluation approach into a more generalized attempt to add to Ohio's reporting and assessment capabilities. This last change was important to Ohio in increasing the state's capacity to understand trends and patterns in welfare participation and outcomes on an ongoing basis.

In this paper, we will report on the modified approach. Our discussion will largely involve a description of our approach for examining outcomes. As modified, the outcomes study has become a central focus of the study, with the other "process" activities providing detailed information for explaining patterns in the data.

Background

The outcome study is concerned with the extent to which OWF has changed adult participant's lives over five domains.

- Welfare dependency
- Self sufficiency
- Economic Well-Being
- Child Well-Being
- Family Well-Being

The intent of OWF is to assist individuals in transitioning from welfare to self-sufficiency, with a corresponding growth in economic well-being and esteem. It does this through a variety of means governed by a contract established between the welfare recipient and the local welfare department. OWF provides county welfare agencies with an array of approaches for assisting clients to transition off welfare. In addition to training activities that seek to increase the employability of recipients, Ohio has several measures that will assist recipients and applicants in their ability to remain self-sufficient. A new income disregard increases the amount that a person can earn without facing the loss of welfare benefits. Prevention, Retention and Contingency funds are intended to provide cash or in-kind benefits to individuals with an acute need. These funds are intended to supply some basic cash grants so that individuals can become more employable, or to meet financial obligations that might have an impact on the individual's ability to remain self-sufficient. The provision of food stamps, Medicaid and child care to individuals no longer eligible is viewed as assisting the individual to remain self-sufficient.

The growth from complete welfare dependency to self-sufficiency can be illustrated by exhibit 1. The self-sufficiency lattice indicates the relationship between the benefits available to individuals at different income levels. The assumption is that OWF will assist individuals in climbing the lattice by providing needed assistance at each level.

We expect that individuals will climb the lattice in different ways. Some individuals will make a clear transition to employment and never look back, while other individuals will make use of a variety of

services in reaching self-sufficiency. The lattice also suggests that some individuals will ascend and then descend as missed opportunities, personal problems, and economic situations change. Still others will never make the climb because of inherent personal barriers that cannot be overcome. This latter group are composed of the hardcore.

Within this context, OWF outcomes relate to three factors:

- **Differences Among Recipients** Welfare recipients compose a group with a wide range of experience and abilities. Our expectation is that participants will vary across the rural and urban counties within Ohio. Even within county, we might expect to find a range of recipient characteristics, with some sets of individuals being distinguished by similar backgrounds and experiences.
- **Options for Transitioning Individuals into Self-Sufficiency** Program options are limited to those that are provided under OWF. Counties in Ohio have some discretion relative to implementation of the options, and thus each county has its own service profile.
- **Matching Options to Individuals** The third factor is how the county matches the options it has available to individuals. This speaks to a tailored program that provides the appropriate services to the right individuals. This suggests that studying how the counties actually implement the options is as important as the options themselves.

Our evaluation is premised that OWF is not a unitary program that can be evaluated as a whole. Rather it is a package of approaches that are tailored by county welfare agencies. Critical to this perspective is the ability of county welfare agencies to tailor the package to the recipients that they serve. The objective of the evaluation is therefore to the extent to which counties achieve a positive outcome with its particular strategy.

Approach

Conceptually, we can formulate the evaluation in terms of the five-steps, which are described in terms of generating:

- a set of profiles that characterize the population of welfare recipients
- a set of service profiles that characterize how counties have implemented OWF
- a set of service specific recipient profiles
- welfare dependency outcomes
- self-sufficiency and well-being outcomes

These are depicted in exhibit 2, and are elaborated on below.

Participant Profiles. Although OWF recipients possess many similar characteristics, they also represent a wide diversity of characteristics, backgrounds and aptitudes. We will see changes in the

composition of this population as welfare reform takes hold, different populations express needs, and economic conditions shift. ODHS's own analysis has already shown a shift in the racial makeup of the population, and a slight increase in the proportion of child-only AGs. The proposed profiles will track the makeup of the OWF population over time. A description of the recipient populations can be provided within and across county by the following characteristics:

- Type of Case (Adult/Child Only)
- Parents in Household
- Ages and Numbers of Children
- Ethnicity of Head
- Gender of Head
- Education
- Work Experience
- Age of Adults in Household
- Employment
- Level of Earnings
- Patterns of Welfare Participation
- Use of Other Assistance Programs

Our expectation is that these characteristics will not be independently distributed across the population and that we can identify clusters or groupings of recipients within a county. For instance, short term, long term and repeat recipients may be defined in terms of other characteristics such as work experience and education.

Our evaluation effort will first focus on identifying how counties differ both in the simple proportion and in the more refined clusters or groupings that arise from the data just prior to the implementation of OWF. This gives us a pre-OWF measurement and a perspective on what the population might have looked like were OWF not implemented. Subsequent profiles will identify how these populations have changed over time. Of course, changes in the profiles might have occurred from demographic shifts in the counties and economic conditions. Thus, we would expect changes in the profiles over time partially due to the exogenous conditions and partially due to OWF.

The profiles being produced utilize a relatively simplistic method that ODHS will build into its data warehouse to track population shifts, and to share relevant information with the counties. This information will allow policy makers at the state and local level to adjust approaches within the context of OWF. Each profile is structured to show features of the participant population. For the county profiles, a given county's profile is presented next to benchmarks for counties of a similar size (small, medium and large) and a similar rate of unemployment. The statewide total serves as another benchmark. For the state profiles, the tables show AG features statewide, as well as the profiles for small, medium and large counties.

County Service Profiles constitute the next step in our approach. These profiles describe the mix of services that the counties choose to provide. We plan to classify counties in four areas:

- Assistance (cash and non-cash, including income disregard, PRC benefits)
- Supportive Services (such as child care, referrals for counseling)
- Employment Assistance (type and duration of job preparation and job training)
- Penalty Actions (imposition of sanctions)

Initial profiles will be developed descriptively, similar to those proposed for the general participant profiles. These profiles will include benchmarks for counties to compare themselves, in addition to a set of statewide profiles. The descriptive profiles will serve as the first cut, with cluster analysis applied to county-level data to establish county service clusters. A measure of services usage would be the number of individuals receiving a particular service treatment or by the average "dose" of the service received. Doses can be measured in terms of dollars (PRC benefits for instance, or number of employment training hours). We will use these measures to develop a service use typology, which will be based on the overall mix of services provided. We can also use cluster analysis to classify counties by their services mixes. These profiles capture the variation in how counties have approached implementing OWF.

Service-Specific Recipient Profiles is the third step. These profiles provide information on which participants or clusters of participants receive which types of services. Our expectation is that counties will tailor their services to particular groups of individuals. Differences across counties will be manifest when population profiles differ (e.g., differences in ethnic representation), or when there are differences in how counties allocate services to the same groups or clusters. For instance, one county may employ a labor force attachment model while the other may employ a human capital development approach for generating self-sufficiency for the same type of participants. They may, however, employ similar approaches for other types of participants. The service-specific recipient profiles will tell us about the different strategies used by the counties.

Descriptive tabular profiles will not be developed because it would require a very large number of tables to capture all of the possibilities. We will use Classification and Regression Trees (CART) or logistic regression to segment the population relative to services received. It shows how the counties tailor services to different types of individuals.

Welfare Dependency Outcomes is the fourth step. These outcomes relate to whether the participant stays on the program or leaves, and further whether recipients leave due to earnings, sanctions, timing out and other reasons. The immediate program outcome, therefore is the active case status or the case closure reason. We will develop **Welfare Dependency Profiles**, which are descriptions of who stayed on and left the program. It should be noted that the profiles of those who stayed on the program are similar to the initial profiles generated under step 1. In other words, those who stay on the

program will likely have a different profile. This profile may reflect changes in the proportion of recipients with particular characteristics or changes in the actual grouping themselves.

One of the basic questions that we want to address at this stage is what are the repercussions of county level strategies on caseload? This is an outcome issue and one in which different counties can be compared. For instance, do more individuals leave due to sanctions because of a particular strategy used in one county than the next? Does the particular outcome relate to the participants to whom the strategy is applied?

In the outcome/impact analysis, we will use regression analysis to explain outcomes, with participant profile characteristics and service profile characteristics as well as contextual variables as the independent variables. This analysis will answer the question of what is the profile of a leaver? A stayer? A sanctioned AG? It will answer this question in terms of which participant characteristics, contextual features and services produced various outcomes.

Determining Self Sufficiency and Well Being Outcomes is the last step. In this step, we ask What happens to participants after leaving OWF, and particularly whether they are better off? These outcomes include the employment and earnings of adults, how long AGs remain off OWF, the availability and use of health care and child care, ongoing dependence on housing assistance, food stamps and Medicaid, and the family and children's well being. Administrative records from ODHS' data warehouse will supply information on employment and quarterly earnings, as well as utilization of OWF, PRC, food stamps, subsidized child care, and Medicaid. All other measures will be obtained from the Longitudinal Survey. Sufficiency and well being outcomes will be linked back to service profiles and participant characteristics. The outcome analysis will answer the question of the extent to which various service mixes produce different outcomes for different types of participants and in different contexts. We will produce profiles of leavers and "successful" leavers who stay off OWF and who achieve self sufficiency, and who maintain positive family and child outcomes. We will also produce profiles of recidivists from the administrative records using the same characteristics that we specified in Step 1. Participant characteristics, service use, immediate outcomes and contextual variables will serve as independent variables that explain the self sufficiency and well being outcomes.

Exhibit 3 summarizes the analytic approach for the profiling and outcome analysis.

Summary and Conclusions

The evaluation of OWF has the purpose of providing information on the its effectiveness within the context of a non-experimental research design. The effort is also intended to provide Ohio with an approach for ongoing assessment of its welfare program through a systematic approach for examining and comparing county activities relating to OWF implementation. The approach has the following emphases.

- \$ It focuses on integration of data sources, not just data. This focus is intended to provide a design that transcends any particular data collection effort and therefore provides a useful construct for evaluating the program over time with multiple data sets.
- \$ It uses county level comparisons, but with a focus on defining the state-space that defines viable approaches toward welfare reform rather than focusing on one approach. It is aimed primarily at eliminating non-effective approaches.
- \$ It allows natural variation in program structure and implementation to be studied as part of the intervention. We therefore do not view the intervention as just a program, but rather as a set of guidelines that can take many forms in the field. As such, it includes how the intervention is translated by the implementing agency.

Exhibit 1
Progress Toward Self-Sufficiency

	Poverty Level	Public Assistance Available					
		Full Cash Grant	\$250 Disregard	PRC	Medicaid	Food Stamps	Child Care
Self-Sufficiency	200%						
	185%						U
	150%			U		U	U
	125%			U		U	U
	100%			U	U	U	U
	85%		U	U	U	U	U
	75%	U			U	U	U
Full Dependence	61%	U			U	U	U

Exhibit 2
Conceptual Overview of Profile/Outcome Analysis

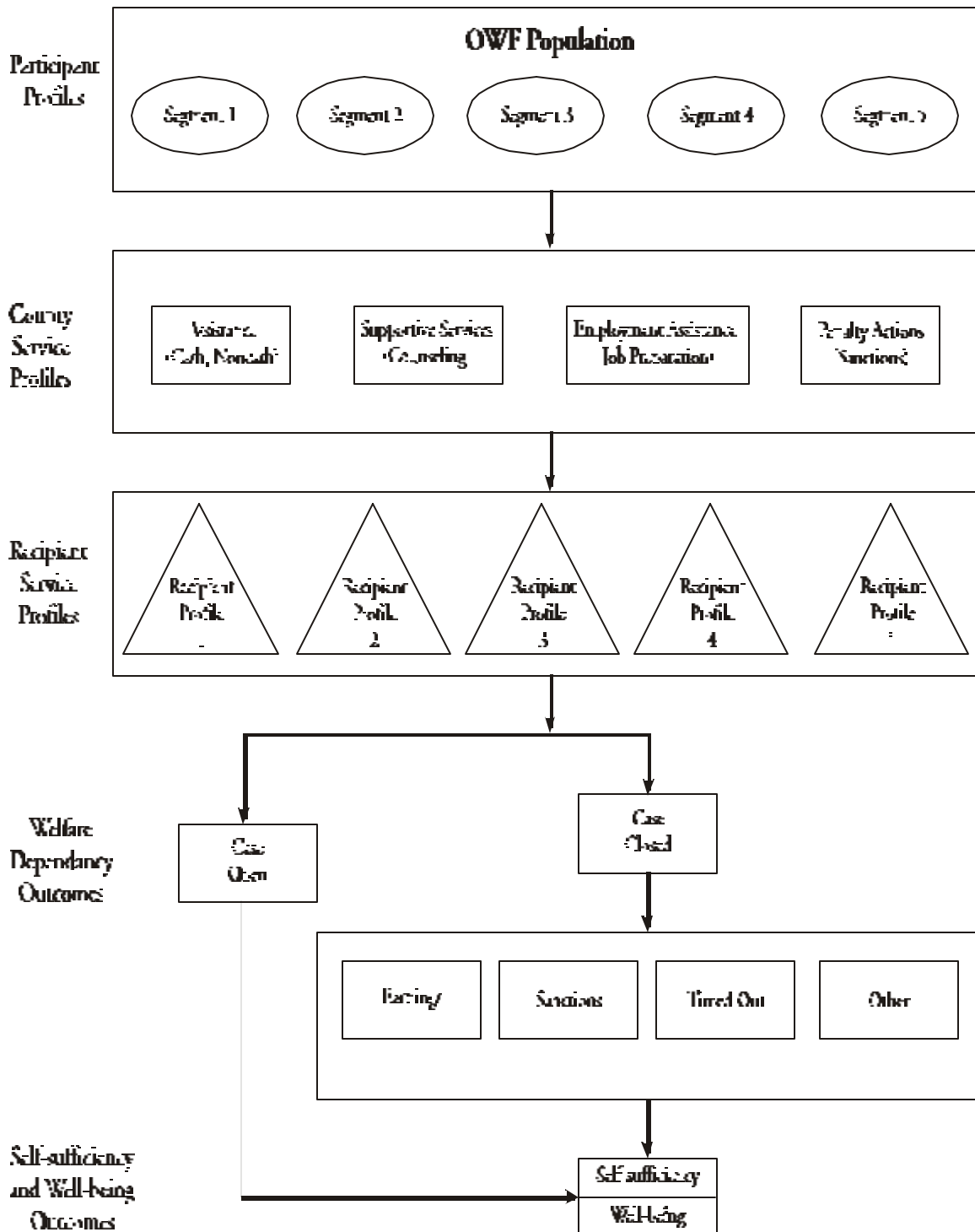


Exhibit 3

TECHNIQUES AND DATA SOURCES FOR PROFILE/OUTCOME ANALYSIS

<i>Analysis Component</i>	<i>Key Variables</i>	<i>Scope of Analysis</i>	<i>Data Sources</i>	<i>Analytic Techniques</i>
<i>Initial Participant Profiles</i>	<i>Participant Characteristics</i>	<i>Statewide</i>	<i>Administrative Data</i>	<i>Descriptive Cross-tabs and Cluster Analysis</i>
<i>County Service Profiles</i>	<i>County level service utilization</i>	<i>County based, statewide</i>	<i>Administrative Data</i>	<i>Descriptive Cross-tabs and Cluster Analysis</i>
<i>Recipient Profiles</i>	<i>Participant characteristics and service utilization</i>	<i>Statewide</i>	<i>Administrative Data</i>	<i>CART or logistic regression</i>
<i>Initial Program Outcomes</i>	<i>Participant characteristics, service use, case closure reason</i>	<i>Statewide and 10 counties</i>	<i>Administrative Data</i>	<i>Descriptive Cross-tabs and Regression Analysis</i>
<i>Self Sufficiency and Well Being Outcomes</i>	<i>Participant characteristics, service use, case closure reason, self sufficiency and well being variables</i>	<i>Representative of 1999 caseload: Statewide and 10 counties; Longitudinal survey sample</i>	<i>Administrative Data and Longitudinal Survey Data</i>	<i>Descriptive Cross-tabs and Regression Analysis</i>