The Community Solutions Initiative: Early Implementation Experiences

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I

INTRODUCTION

 Welfare reform has pressed states to develop new approaches to help recipients make the transition from welfare to employment. With the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, Congress ended the Aid to Families with Dependent Children (AFDC) program and established Temporary Assistance for Needy Families (TANF), which imposes a five-year lifetime limit on receipt of cash assistance benefits for most recipients. Pennsylvania implemented TANF in March 1997 and imposed the five-year time limit required by PRWORA. In accordance with federal law, Pennsylvania also requires most recipients, after two years of TANF receipt, to work or participate in a work-related activity for at least 25 hours per week.

In response to these new federal requirements, the Pennsylvania Department of Public Welfare (DPW) has implemented new strategies to help TANF recipients find jobs and sustain their employment. One new DPW initiative, Community Solutions, provides a range of pre- and postemployment services to TANF recipients. This report describes the early implementation of the Community Solutions initiative.

A. THE COMMUNITY SOLUTIONS INITIATIVE

In September 1997, DPW announced its intent to implement the Community Solutions initiative. In early 1998, DPW funded 70 Community Solutions programs located throughout the state, at a level of $33 million, to provide job placement and retention services for about 6,500 TANF recipients over a three-year period. Community Solutions contracts are performance based; contractors receive payment based on the number of clients who achieve specific employment goals. Most Community Solutions contractors began enrolling clients in mid-1998. Community Solutions contracts will end on February 28, 2001, and DPW has no plans to extend the contracts at this time.¹

The program models that contractors have implemented vary widely. They provide such services as job readiness training, basic skills training, vocational training for specific occupations, help with child care and transportation, job search assistance, internships, paid work experience, and postemployment job retention services for 12 months after placement. Some programs target particular segments of the welfare population (such as Spanish-speaking recipients or refugees from Southeast Asia), whereas others serve a broader spectrum of welfare recipients. The types of organizations contracted to provide services also vary substantially and include community-based organizations, educational institutions, and for-profit companies.

¹According to DPW officials, the agency designs its performance-based contracts to meet the specific needs of its clients at a particular point in time. Consequently, DPW does not usually extend such contracts or reissue an identical request for bids once the contracts end.
B. THE COMMUNITY SOLUTIONS STUDY

Mathematica Policy Research, Inc. (MPR), in collaboration with DPW, is conducting a study of the Community Solutions initiative. The study is funded by The Pittsburgh Foundation and by a grant from the Administration for Children and Families at the U.S. Department of Health and Human Services. Its primary goal is to derive operational lessons from the experiences of Community Solutions programs and their clients that can guide policymakers and program operators as they design and implement similar programs for welfare recipients. Throughout the study, MPR will seek to obtain operational lessons for implementing services that promote job retention.

The first phase of the study, discussed in this report, documents the early implementation experiences of a select group of Community Solutions contractors. To collect information about contractors’ experiences, MPR research staff conducted 45-minute telephone interviews with 34 directors representing 40 Community Solutions programs, or 57 percent of all programs. Because we could not interview every director, we focused on interviewing directors of larger programs. We also attempted to select contractors located throughout the state and contractors implementing a variety of program models. We conducted the interviews in February and March of 1999, approximately eight months to one year after most programs began enrolling clients. In addition to program directors, we interviewed a state-level official at DPW about the Community Solutions initiative. However, because this report is based largely on telephone interviews with Community Solutions program directors, it presents primarily the contractors’ perspective on early implementation issues. Our intent is to report contractors’ perceptions of early implementation challenges, and to present potential operational lessons that can be learned from their experiences.

In the second phase of the study, we will examine program implementation in greater depth by conducting site visits to certain programs, and focus groups with Community Solutions clients. We will also document the economic progress that clients have made by analyzing administrative records data provided by DPW. In addition, if funding is available, this phase of the study will include follow-up surveys with clients. An additional Community Solutions report covering the study’s second phase is scheduled for release in 2000.

C. EARLY FINDINGS

Two sets of preliminary findings about implementation during the program’s early months emerged. They pertain to (1) the services Community Solutions contractors provide, and (2) the program’s structure.

Community Solutions contractors provide a broad array of services. We obtained the following key early findings about service provision:

- **Community Solutions programs vary substantially in the range and intensity of services they provide.** Programs span a spectrum that ranges from short-term job placement programs to those that provide more intensive education and vocational training. Programs also vary in the types of support services they

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2Appendix A provides a list of the Community Solutions contractors included in the director interviews.
provide to clients. Some focus on obtaining supportive service payments and special allowances from County Assistance Offices (CAOs), whereas others offer additional services, such as counseling, referrals, help arranging child care and transportation, and direct financial assistance.

- During the early implementation months, Community Solutions contractors have devoted more resources to preemployment job placement activities than to postemployment job retention services. Many program directors reported that they devoted more time and resources to preemployment activities than to postemployment services. However, when we conducted our interviews, many clients had not yet found employment. Several contractors stated that, as more clients are placed in jobs and begin grappling with postemployment issues, the focus will likely shift to postemployment service provision. Moreover, some contractors provide preemployment services that may enhance clients’ prospects for retaining their jobs, such as help making back-up child care arrangements, life skills training, and referrals for substance abuse treatment and other services.

A second set of early findings emerged from an examination of the program’s structure. Key early findings in this area include the following:

- Where TANF caseloads have dropped precipitously, referrals to the program have been lower than anticipated. Across all the programs we examined, contractors had enrolled, on average, about half their anticipated caseload for the first contract year (which ended on February 28, 1999) by the end of 1998. In Philadelphia, where the TANF caseload has not dropped as rapidly as it has elsewhere in the state, contractors reported that enrollments were higher than they were in the rest of the state. On average, contractors in Philadelphia had enrolled about 72 percent of their anticipated caseloads by the end of 1998. In contrast, contractors in the rest of the state had received far fewer referrals than expected and had enrolled, on average, about 40 percent of their anticipated caseloads.

- Performance-based contracting has influenced service delivery. Almost all contractors reported that the program’s contracting mechanism had influenced program operations to some degree. Some contractors reported that the linkage between individual client progress and contractor payment had influenced them to increase their focus on achieving performance goals. In fact, some offered financial incentives to staff and clients to promote achievement of these goals. Others reported that performance-based contracting encouraged them to conduct more careful program planning and financial monitoring. For example, several contractors stated that they staffed their programs conservatively until sufficient numbers of clients were enrolled.

- The complexity inherent in linking individual client progress with payments to contractors presents challenges yet to be fully resolved. Performance-based contracting requires a fairly complex set of rules and procedures for tracking and
verifying client outcomes. In particular, the verification process is time-consuming for both contractors and DPW and sometimes has delayed payments to contractors. Furthermore, the financial viability of the programs depends on meeting enrollment targets. To plan service provision and provide a basic level of staffing necessary to operate the program, contractors must project the level of income (and, therefore, the number of clients) they can expect to receive. Program operators who are not astute about the funding uncertainties inherent in performance-based contracting and who hire program staff too quickly are at particular financial risk.
II

OVERVIEW OF COMMUNITY SOLUTIONS: PROGRAM MODELS, CONTRACTORS, AND CLIENT CHALLENGES

DPW designed Community Solutions to serve TANF recipients who have completed an initial job search without finding employment. Pennsylvania’s welfare reform law requires most TANF recipients who apply for cash assistance to conduct a job search for a minimum of eight weeks.\(^1\) To support recipients in this required job search effort, DPW implemented the Up Front Job Placement program and the Rapid Attachment program, which provide TANF recipients with 8 to 12 weeks of job readiness training and job search assistance. Although both programs have succeeded in placing large numbers of TANF recipients in jobs, some recipients need additional services and support to overcome barriers that prevent them from finding and keeping jobs. DPW therefore developed Community Solutions to offer more-intensive services over a longer period, targeted to clients who did not find employment during their initial job search.

DPW set ambitious performance goals for Community Solutions intended to promote placement of recipients in jobs with good wages and benefits, and to ensure that programs place equal emphasis on initial job placement and long-term job retention. Specifically, the three main goals of Community Solutions are to:

1. Place clients into full-time employment (at least 30 hours per week)
2. Place clients into jobs that provide medical benefits within six months of hire
3. Help clients retain their jobs for at least 12 months

In this chapter, we provide an overview of Community Solutions. We begin by describing the state’s role in recruiting and referring clients. We then examine the roles and requirements of Community Solutions contractors. Next, we describe the types of organizations holding Community Solutions contracts and their previous experience providing employment services to welfare recipients. We end the chapter by reporting on clients’ primary challenges to finding and keeping jobs, as identified by Community Solutions program directors.

\(^1\)Individuals who were receiving cash assistance benefits when TANF was implemented in March 1997 were required to conduct an eight-week job search after their next redetermination of benefits.
A. **The State’s Role in Recruitment and Referral**

DPW’s CAOs make all referrals to Community Solutions contractors. The recruitment process begins when TANF recipients attend mandatory enrollment meetings, during which CAO staff outline recipients’ obligations to seek employment and participate in employment and training activities. While the state requires most TANF recipients to participate in work-related activities, Pennsylvania’s welfare reform law does not authorize DPW to mandate that clients on TANF for less than 24 months participate in specific programs or activities. Thus, TANF recipients can choose to enroll in a variety of programs, such as Community Solutions, Single Point of Contact, Rapid Attachment, Up Front, or Welfare-to-Work. Recipients who do not wish to enroll in a specific program may choose to conduct an independent job search.

During enrollment meetings, CAO staff describe available programs, including those offered by Community Solutions contractors. In some counties, CAOs invite Community Solutions contractors to make presentations at the meetings. In other counties, CAO staff rely on brochures and other materials that the contractors have provided. After the range of options has been presented, TANF recipients, in consultation with CAO caseworkers, choose the program in which they wish to participate and sign an Agreement of Mutual Responsibility. This agreement outlines self-sufficiency goals as well as the activities the recipient must complete to achieve the goals. Recipients are then referred to the programs identified in their Agreements of Mutual Responsibility.

B. **Contractors’ Roles and Requirements**

DPW funds Community Solutions contractors through performance-based contracts. Rather than offer reimbursement for the cost of operating a program, DPW pays the contractor for achieving specific benchmarks with individual clients. DPW views this funding structure as an effective way to maintain a focus on the program’s main objectives, and to ensure that contractors concentrate their efforts on achieving the program’s performance goals. This section describes the program models that DPW has designed, including the funding levels and performance requirements for each model, and the contractors engaged to provide Community Solutions services.

1. **Program Models Required by DPW**

DPW has defined three program models for Community Solutions: (1) the local collaboration model, (2) the employer-linked job placement model, and (3) the innovations demonstration model. With the exception of the small fraction of contractors who have

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2Because CAOs must certify the eligibility of all Community Solutions clients, DPW does not permit Community Solutions contractors to conduct direct outreach and recruitment activities. Community Solutions contractors can direct TANF recipients who are interested in their program to request a referral from the CAO. However, early experience has shown that recipients do not always choose to enroll in the program in which they expressed initial interest.
implemented the employer-linked model, contractors receive the following payments for achieving each of the benchmarks listed here:  

- **Participation.** Contractors receive $1,000 for each client who completes a five-day assessment period and reports for the first day of program activity.

- **Placement.** DPW pays contractors $1,000 for each client who obtains unsubsidized, full-time employment (of at least 30 hours per week).

- **Medical Benefits.** Contractors receive $400 for each client who obtains a job that offers medical benefits within six months of beginning employment.

- **Job Retention.** DPW pays contractors $1,600 for each client who retains full-time employment for 12 months.

For each of the three models, DPW also identified specific program requirements and minimum performance goals that contractors must meet (Table II.1). In addition, DPW requires all contractors, regardless of program model, to provide certain essential services, including an initial assessment of skills and abilities, job readiness preparation, job search training, case management, assistance accessing special allowances for support services, intensive job placement assistance, and 12 months of postemployment follow-up services.

**Variation Across Program Models.** Program models differ in the types of partnerships contractors must form, the services they can provide, and the duration of various program components (Table II.2). Local collaboration programs must establish a partnership with at least one other community service provider and must identify the specific services each partner will provide to help TANF recipients find and keep jobs. In contrast, employer-linked programs must form partnerships with employers who agree to hire at least 80 percent of the clients who complete the program. The employer-linked model also requires that program services, such as education or vocational training, be tailored to the needs of specific employers. Unlike programs using the other models, employer-linked programs must provide job development services only for clients who are not hired immediately by the designated employers.

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3Contractors implementing the employer-linked program model receive lower payments than do those implementing the local collaboration or innovations models. Employer-linked contractors receive $800 for client participation, $800 for job placement, $400 for placement in a job with medical benefits, and $1,000 after 12 months of job retention. According to DPW officials, the state pays employer-linked contractors less than other contractors because they received job commitments from employers prior to program startup.

4Community Solutions clients may change jobs during the one-year retention period. However, for contractors to receive the payment for 12 months of continuous employment, clients must be employed in jobs with a combination of wages and hours that provide an income equivalent to or greater than that of their initial job and can have spells of unemployment lasting no longer than seven calendar days. If clients become unemployed for longer than seven calendar days, the 12-month retention “clock” restarts when they begin working again, and the contractor has another chance to earn the job retention payment.

5DPW can reduce funding or terminate the contracts of programs that do not meet its performance goals.
<table>
<thead>
<tr>
<th>Performance Goal</th>
<th>Local Collaboration Model</th>
<th>Employer-Linked Model</th>
<th>Innovations Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Clients Placed in full-time employment</td>
<td>65</td>
<td>85</td>
<td>65</td>
</tr>
<tr>
<td>Who complete the program</td>
<td>70</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>Who retain employment for one year</td>
<td>70</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>Placed in jobs with medical benefits available after six months</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Average Starting Wage (Dollars)</td>
<td>6.50</td>
<td>8.00</td>
<td>6.50</td>
</tr>
</tbody>
</table>


Contractors that have not formed partnerships with other service providers or employers can implement the innovations model and have broad flexibility in the design and implementation of their Community Solutions programs. These contractors can provide a wide range of services, such as life skills training, internships, and paid work experience. The innovations model, unlike the other models, does not impose limits on the duration of specific services, such as job readiness or vocational training, as long as the program’s preemployment phase lasts no longer than 12 months.

Implementation of Program Models. About 75 percent of Community Solutions contractors have chosen to implement an innovations program. These contractors have taken a range of approaches to designing program services under the model. Some contractors, such as Curtis & Associates, offer job readiness and placement services of relatively brief duration. Clients usually are placed in jobs within 8 to 12 weeks after enrollment. Other contractors, such as Delaware County Technical Schools, offer vocational training and basic education in addition to the required services. A few contractors, such as the Center for Employment Training of Universal Community Homes, offer an extensive education and training component, which lasts from six months to one year.

About 20 percent of contractors have implemented a local collaboration model. Most of these contractors have teamed with organizations that specialize in serving particular segments of the welfare population, or that can provide enhanced support services to Community Solutions clients. For example, Arbor, Inc., in Philadelphia, and the Greater Erie Community Action Committee have formed partnerships with organizations that serve the Spanish-speaking population. Similarly, Educational Data Systems collaborates with an organization that specializes in serving refugees. Worksmith Institute collaborates with Allegheny General Hospital’s Family Growth Center, which provides enhanced support
### TABLE II.2

VARIATION ACROSS COMMUNITY SOLUTIONS PROGRAM MODELS

<table>
<thead>
<tr>
<th>Assessment of Skills and Abilities</th>
<th>Job Readiness/ Job Search Training</th>
<th>Education and Training</th>
<th>Job Development/ Job Search</th>
<th>Postemployment Followup</th>
<th>Required Partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Collaboration (13 Programs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to five days</td>
<td>Required for up to eight weeks</td>
<td>Optional for up to 12 weeks</td>
<td>Must provide during period of job readiness training; must provide for 90 days if clients not employed after job readiness training</td>
<td>Must provide for 12 months after employment</td>
<td>Must create partnerships with other service providers</td>
</tr>
<tr>
<td>Employer Linked (4 Programs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to five days</td>
<td>Allowable as needed by clients</td>
<td>Optional for up to 12 weeks if tailored to specific employer needs</td>
<td>Must provide for 90 days for clients not immediately hired by identified employers</td>
<td>Must provide for 12 months after employment</td>
<td>Must create partnerships with specific employers who agree to hire at least 80 percent of clients who complete the program</td>
</tr>
<tr>
<td>Innovations (53 Programs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to five days</td>
<td>Broad flexibility to provide a range of preemployment services, such as education, training, job readiness, life skills training, paid work experience, internships, and other services, for up to 12 months</td>
<td></td>
<td></td>
<td>Must provide for 12 months after employment</td>
<td>None required</td>
</tr>
</tbody>
</table>

**Source:** Request for proposals issued by the Pennsylvania Department of Public Welfare in September 1997.

services to its Community Solutions clients. For example, hospital staff provide individual and family counseling and workshops on life skills topics, such as parenting, budgeting, and nutrition.

Only slightly more than five percent of contractors have implemented the employer-linked model, perhaps because they receive lower payments for achieving benchmarks, or because it is difficult to obtain firm commitments from employers to hire 80 percent of all clients who complete the program. Programs implementing this model prepare clients for jobs in such fields as food service, materials handling, health services, and office support.

2. **Contractors Providing Community Solutions Services**

Prior to soliciting bids for Community Solutions contracts, DPW held bidder’s conferences throughout the state and took other steps to increase its pool of potential bidders. According to DPW officials, by broadening the pool of bidders beyond those entities that regularly hold DPW contracts, the agency aimed to bring in contractors with new ideas and approaches, access to previously untapped local resources, and connections with employers who had not worked previously with other DPW contractors. DPW succeeded in increasing its list of potential bidders from about 600 to more than 3,000 entities, 260 of whom bid on
Community Solutions contracts. Of the contractors we interviewed, about 25 percent had contracted with DPW for the first time, indicating that DPW succeeded in bringing some new contractors into Community Solutions. This section describes the entities contracted by DPW to operate Community Solutions programs and their previous experience providing similar types of services.

**Types of Contractors.** Almost 9 out of 10 Community Solutions contractors that participated in the director interviews are nonprofit organizations, such as schools, employment and training agencies, and other nonprofit community organizations (Table II.3). Schools providing Community Solutions services include technical schools serving high school students and adults and community colleges. Employment and training agencies range from the Washington/Green County Job Training Agency, a state-funded agency that traditionally has provided services to unemployed residents, to PROBE, a private organization that provides career counseling and job placement assistance to single mothers and displaced homemakers. Some of the nonprofit community organizations specialize in providing services to specific populations. For example, the Hispanic American Organization traditionally has served a primarily Spanish-speaking population. Likewise, The People’s Emergency Center, a homeless shelter in Philadelphia, targets its services to homeless women and children.

**Previous Experience of Contractors.** Nearly all the contractors we interviewed had previous experience providing employment services to welfare recipients, but few had experience providing long-term job retention services. Almost three-fourths had operated other DPW-funded programs for welfare recipients, and most of these DPW contracts required programs to provide postemployment follow-up services, usually for 30 to 90 days. However, only two contractors, Goodwill Industries of Pittsburgh and Three Rivers

### TABLE II.3

<table>
<thead>
<tr>
<th>Nonprofit Organizations</th>
<th>Employment and Training Agencies</th>
<th>Other Nonprofit Organizations</th>
<th>For-Profit Companies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Model</td>
<td>Schools</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Collaboration</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Employer Linked</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Innovations</td>
<td>4</td>
<td>10</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5</strong></td>
<td><strong>11</strong></td>
<td><strong>19</strong></td>
<td><strong>5</strong></td>
</tr>
</tbody>
</table>

**Source:** Telephone interviews with directors of 40 Community Solutions programs.

**Note:** Figures include only the 40 Community Solutions programs whose directors were interviewed.
Employment Service, reported previously providing these services for as long as 12 months. Both programs had long-standing policies of providing extended follow-up services to all clients placed in jobs.

C. CHALLENGES FACED BY COMMUNITY SOLUTIONS CLIENTS

Although the program is still in an early stage of implementation, Community Solutions staff are already becoming acquainted with the challenges that program participants confront and are forming tentative impressions of their participants’ needs. According to program directors, many Community Solutions clients seem to be among the more disadvantaged TANF recipients in Pennsylvania, and most enter the program with multiple challenges to finding and retaining jobs. The directors have based these perceptions on early impressions obtained during the initial months of program operation, and program staff have not yet had sufficient experience with individual clients to develop a clear picture of the challenges Community Solutions clients face. However, these early perceptions are consistent with DPW’s expectation that Community Solutions clients would be among the more disadvantaged and harder-to-serve TANF recipients. In this section, we describe program directors’ early perceptions of the challenges Community Solutions clients face and the types of problems programs have had to address during the first year.

- **Child Care.** Program directors identified child care as a challenge to employment more frequently than they did any other issue (Figure II.1). During the initial period of program participation, some clients had difficulty obtaining a child care allowance from DPW when they began attending the program. Some clients also experienced delays in receiving initial Transitional Child Care benefits when they began working. Directors also reported that clients had difficulty locating child care providers, particularly for school-aged children and children who were ill. Finally, clients who used informal providers, such as relatives, sometimes experienced breakdowns in their arrangements when their informal providers could not work and they lacked back-up child care arrangements.

- **Transportation.** Public transportation in many counties is insufficient to meet clients’ needs, because bus routes and hours of operation limit employment options. Jobs are plentiful in suburban areas but are inaccessible to clients who do not have access to cars. Several directors reported that some clients had difficulty obtaining transportation assistance from DPW during the initial period of assessment and program enrollment.

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6 According to several directors, implementation of the new Child Care Works program should eliminate this problem. On February 1, 1999, DPW implemented this new child care subsidy program, which combines former subsidy programs into a single system with uniform rules and procedures. The new program includes provisions intended to ease the transition from TANF to employment by eliminating gaps in coverage and differences in requirements and procedures across the former subsidy programs.
Low Levels of Education and Lack of English-Speaking Skills. Many clients lack a high school diploma or general equivalency diploma (GED), which limits their employment prospects. Assessment tests conducted by some Community Solutions programs indicate that some clients can read at only a second-grade level. Clients in some programs could not speak English or could speak English only poorly, another significant barrier to employment.

Family and Parenting Problems. Directors in about half the programs identified difficulties with partners, family members, or children as challenges to finding and keeping jobs. Some directors specifically identified domestic violence as a serious problem. Other directors reported that some clients experienced negative pressure about work from family members and friends. Finally, problems with children, such as illness or school problems, made it difficult for some clients to work.

Life and Job Readiness Skills. Failure to develop life and job readiness skills limited some clients’ employment options and threatened their ability to retain their jobs. Some clients had difficulty maintaining a schedule or arriving at work on time because they did not have the necessary planning and organizational skills. Insufficient personal “coping” skills hampered clients’ ability to manage relationships with coworkers and supervisors. Clients who lacked financial management and budgeting skills developed work-related problems, because they failed to set aside sufficient funds for work-related expenses, such as transportation.
- **Behavioral Problems.** Drug and alcohol addiction, criminal records, and legal problems posed serious barriers to finding and retaining employment for some clients. One director noted that substance abuse is often coupled with depression or other emotional problems. Another explained that drug problems typically are revealed when a client fails a drug test at a new job. In addition, several directors reported that criminal records severely limited employment options and the wages that employers are willing to pay.

- **Lack of Motivation and Low Self-Esteem.** Some program directors noted that the lack of motivation to work, or lack of a “work ethic,” posed the most significant challenge to employment for some clients. Program staff found it difficult to engage clients who had these poor attitudes in program activities. Moreover, a negative attitude about work and a lack of motivation to succeed at work often result in job loss. Other directors identified low self-esteem as a major problem. Some clients fear working and believe they will fail. In other cases, partners, family members, or friends pressure clients not to work and tell them they will fail even if they do obtain employment.
III

SERVICES PROVIDED BY COMMUNITY SOLUTIONS CONTRACTORS

Community Solutions contractors provide a broad range of pre- and postemployment services. All contractors provide required services, such as case management, job readiness instruction, job search assistance, and postemployment followup. Beyond these basic services, the types and intensity of other services vary widely. For example, some contractors provide optional services, such as education and vocational training, as well as many types of support services to help clients arrange child care and transportation and obtain financial assistance and other support. This chapter discusses the pre- and postemployment services available through Community Solutions contractors and examines the patterns of service delivery across programs.

A. RANGE OF SERVICES

In this section, we describe the services that Community Solutions contractors most commonly provide. In general, the range of program activities carried out by Community Solutions contractors represents the standard types of services that one would expect employment programs to offer. However, some programs have taken innovative approaches to providing specific services.

Case Management. All programs provide case management services before and after clients begin employment (Figures III.1 and III.2). Typical preemployment activities include assessment, orientation, monitoring of participation, arranging support services, and setting goals with clients. In some programs, case managers also offer counseling and referrals to help clients resolve personal issues, such as parenting problems, family conflicts, or substance abuse. In programs that target non-English-speaking populations, case managers frequently serve as translators for their clients.

Contractors provide case management for 12 months after clients begin employment. Typically, contractors contact clients weekly during the first month of employment and then gradually reduce the frequency to once per month. Case managers or job developers usually conduct follow-up activities. In some cases, however, contractors have retention specialists on staff to work exclusively with employed clients. Most followup is conducted by telephone, although some contractors try to have face-to-face meetings with their clients. Several contractors also follow up with employers, especially during the initial weeks of employment. A few contractors convene monthly peer-support group sessions for employed clients. In addition, the Community Solutions director at Delaware County Community College reported matching employed clients with volunteer mentors.
In an effort to prevent job loss, a few contractors require clients to sign contracts at enrollment stating that they will contact the program before quitting their jobs. These programs have staff on call who are available to respond to clients’ calls during evenings and on weekends. When contacted, these staff try to help clients resolve work-related problems. They also encourage clients who do not want to remain in their jobs to conduct a new job search before quitting and offer the program’s help with this effort.

**Job Readiness Training.** All programs provide job readiness training, usually in a classroom setting. The duration of training across programs ranges from 1 to 12 weeks. Contractors with longer job readiness classes tend to combine this activity with education, vocational training, or job search activities. Classes usually cover standard topics, such as preparing resumes and practicing interviewing techniques. Many contractors invite employers and other motivational speakers from the community to discuss job readiness topics with clients. Others provide life skills instruction on such topics as time management and effective communication. Several contractors stressed that they conduct job readiness classes in an interactive format that engages clients. For example, some videotape mock interviews, and others provide instruction through games and other interactive approaches.

**Job Search Assistance.** Although all the contractors we interviewed develop some job leads for clients, some focus more than others on teaching clients to find jobs on their own. For example, Curtis & Associates asks all staff and clients to bring in job leads, which are posted daily in program offices. Other contractors require clients to keep logs of job search activities. In contrast, several contractors do not encourage clients to find jobs on their own, because they do not want clients to accept jobs with wages and benefits below the program’s performance goals.
FIGURE III.2

POSTEMPLOYMENT SERVICES PROVIDED BY COMMUNITY SOLUTIONS PROGRAMS

Typically, programs generate job leads for clients by contacting employers and monitoring job advertisements. In addition, contractors that place clients in internships report that these clients are often hired by their internship sponsors. Likewise, contractors that provide vocational training usually have strong employer contacts in the career areas in which they train clients. Finally, several contractors reported obtaining job leads from agency advisory board members.

When employed clients lose their jobs, contractors usually help them update their resumes and conduct new job searches. Several contractors emphasized the importance of determining the reason for job loss as a means of preventing the problem from recurring. Two contractors we interviewed do not provide job search services to clients if they are fired from their jobs for cause.

Help with Child Care. Almost all programs provide some help with child care, most often by working with the CAO to ensure clients obtain a child care allowance so they can participate in the program. Many also offer other forms of child care assistance, such as lists of providers, referrals to individual providers, or referrals to resource and referral agencies. A few contractors host speakers who provide information about child care options. About 25 percent of the directors interviewed reported that their programs help clients establish child care arrangements, and contact individual providers about vacancies. In addition, some help clients who use informal providers to identify back-up arrangements. Almost all contractors try to help clients resolve child care problems during the preemployment phase, and the majority offer postemployment help with subsidy payment and provider problems.
To ease the clients’ logistical challenge of making travel arrangements to child care and training, five contractors we interviewed provide child care for their clients during hours of program operation. Four of the five provide child care in on-site centers, and the other, Catholic Charities, in Pittsburgh, provides care through a network of family child care homes. Two of the five contractors reported that clients can continue using their child care facilities after obtaining employment.

**Help with Transportation.** Almost all programs provide some assistance with transportation, most often by helping clients obtain a transportation allowance or bus pass from the CAO. Some also offer transportation to job interviews or help clients obtain drivers’ licenses. Others provide help with and advice about car purchases. In fact, one contractor, Arbor, Inc., in Dauphin County, has made arrangements with a local car dealer to guarantee loans for clients who need a car to get to work; the CAO and the contractor provide a portion of the down payment. After obtaining employment, some contractors provide bus passes for the initial weeks of employment, help clients form car pools, help clients pay for car inspections, provide emergency cab service to places of employment, and identify mechanics willing to provide low-cost repairs.

**Mediation with Employers.** Directors of most programs reported mediating with an employer on at least one occasion in an attempt to resolve a client’s work-related problem. Because job developers often have long-standing relationships with employers, many employers will contact them if problems arise. Although contractors sometimes intervene at the request of clients, more often employers request the intervention. In addition, job developers sometimes discover problems while conducting worksite visits or communicating with employers about other clients. In these cases, job developers work with employers and clients to resolve conflicts or misunderstandings. Many directors believed their relationships with key employers have enabled them to successfully mediate on behalf of clients to resolve workplace problems and keep their jobs.

**Vocational Training.** Contractors provide training in a broad range of fields, including computers and word processing, health care, clerical and office skills, customer service, and food service, among other fields. Courses range from 4 to 30 weeks in duration but typically last 8 to 12 weeks. About one-quarter of the programs offer some additional training, usually in computer skills, to employed clients who need to upgrade their skills or are working only part time.

**Help with Transitional Benefits.** Directors at most programs reported helping clients who had obtained employment to obtain transitional benefits and special allowances. Contractors usually help clients complete paperwork, coordinate with the CAO, and communicate with the CAO about any problems that arise.

**Help Obtaining the Earned Income Credit (EIC).** Contractors provide varying levels of assistance in obtaining the EIC. Many discuss the EIC during job readiness classes, show clients how to complete the necessary forms, and help clients who have obtained employment to complete the forms. One contractor, the People’s Emergency Center, has arranged a monthly visit from a representative of the Internal Revenue Service, who conducts a workshop on the EIC and shows clients how to complete paperwork. Another contractor, the Washington/Greene County Job Training Agency, has made similar arrangements with the local Consumer Credit Bureau. Three contractors encourage clients to take advantage of the advanced payment option in order to use the extra income for work-related expenses.
Another contractor discourages clients from taking advantage of the advanced payment option. The director of this program reported that, in her opinion, receiving one large payment annually, rather than a higher level of income throughout the year, is an effective savings mechanism to reserve funds for major expenses, such as security deposits for housing.

Financial Assistance. The majority of programs reported helping clients obtain financial assistance, usually by helping them apply to the CAO for special allowances. Some also provide direct financial assistance for the purchase of work-related items, such as tools, uniforms, photo IDs, copies of birth certificates, and criminal background checks for job applications. A few contractors provide some emergency assistance to help clients cover expenses for such items as heat, rent, and transportation (car repairs and inspection). One contractor purchased glasses for a client who needed them to pass a physical examination for a job. Another paid to have the locks changed on a client’s home to protect her from an abusive partner. One contractor provides clients with in-kind goods, such as clothing, personal care items, toys, and gift certificates for food.

About one-quarter of the programs we examined reported that their programs also offer financial incentives to employed clients in an effort to promote job retention. Some offer cash incentives at various intervals. For example, several contractors give clients $25 to $50 after 1 month of employment, $25 to $75 after 3 to 6 months, and as much as $150 after 12 months. Two contractors offer a combination of gift certificates, food vouchers, and bus passes at various intervals to induce clients to retain their jobs.

Education. More than half the programs included in the director interviews offer a basic education component to their Community Solutions clients. Typically, contractors offer GED preparation or classes in basic reading and mathematics skills. Some also provide English as a Second Language (ESL) classes. A few programs offer evening GED preparation classes for working clients. The duration of most classes ranges from 8 to 12 weeks, depending on the extent to which classes are combined with other activities.

Advancement and Career Development. Contractors reported helping clients with advancement and career development during the pre- and postemployment phases of the program. For example, a few contractors include tips on advancement and career development in their job readiness curricula. One contractor matches employed clients with volunteer mentors, who give advice about advancement and career development; another provides evening workshops for employed clients that address the same topics. Several contractors also reported helping employed clients who wished to find better jobs to update their resumes, identify job leads, and conduct new job searches.

Work Experience. About one-quarter of the programs we examined offer opportunities to gain work experience through internships, paid work experience, or subsidized employment. For example, some offer internships to clients who do not find employment by the end of vocational training. As noted, contractors report that internship sponsors often hire clients when the internship ends.

B. PATTERNS OF SERVICE DELIVERY

Community Solutions programs vary substantially in the types and intensity of services they provide, spanning a spectrum that ranges from short-term job placement programs to
programs that provide more intensive education and vocational training. For example, Community Solutions contractors that focus primarily on job readiness and placement emphasize rapid job placement, provide services of relatively short duration, and provide support services that tend to be limited in scope (Table III.1). In contrast, contractors that have added education and/or vocational training to the basic package of services tend to provide preemployment services for a longer period and offer a wider range of support services to clients during the pre- and postemployment phases. All contractors aim to place clients in jobs fairly quickly, but those with education and training components also attempt to enhance clients’ skills and prospects for obtaining jobs with better wages and benefits.

Community Solutions contractors reported that they directed more time and resources to placing clients in jobs during the program’s preemployment phase than to helping clients retain their jobs during its postemployment phase. Two primary factors account for this emphasis on preemployment services. First, at the time we conducted our interviews, programs were still in an early stage of implementation and many clients had not yet found employment. Several contractors stated that their focus is likely to shift in the direction of postemployment service provision as more clients are placed in jobs and begin grappling with postemployment issues. By the program’s third year, enrollment will end and most clients will have been placed in jobs, leading staff to focus almost solely on postemployment services. Second, DPW requires contractors to provide at least 25 hours of work-related activities for clients in the preemployment phase. Because employed clients are working at least 30 hours a week, services during the postemployment phase are necessarily less intensive.

Despite a primary preemployment-phase goal of placing clients in jobs, many contractors also provide services during this phase to enhance clients’ prospects of retaining jobs after placement. For example, some contractors help clients establish back-up child care and transportation arrangements. Some provide life skills training to enhance their clients’ ability to cope with a variety of issues, such as workplace conflicts or financial management. Others provide counseling and referrals to such services as substance abuse treatment centers, in an attempt to address underlying problems that may prevent clients from remaining employed. Several directors reported that their familiarity with their clients’ abilities and limitations, developed during the preemployment phase, enables them to more effectively help clients with job retention. Moreover, their staff can often predict the types of challenges to continued employment clients are likely to face.
# TABLE III.1

## VARIATION IN PATTERNS OF SERVICE DELIVERY ACROSS COMMUNITY SOLUTIONS PROGRAMS

<table>
<thead>
<tr>
<th>Description of Services</th>
<th>Percentage of Programs</th>
<th>Typical Duration of Preemployment Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Programs Focusing on Job Readiness and Job Placement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In addition to job readiness instruction and job placement, staff help clients obtain child care, transportation, and other special allowances from the CAO. After employment, all programs provide case management and reemployment services. Some help with child care, transportation, and employer mediation.</td>
<td>20</td>
<td>8 to 12 weeks</td>
</tr>
<tr>
<td><strong>Programs Providing Basic Education plus Job Readiness and Placement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>These programs provide GED preparation and/or ESL instruction through program partners with whom they collaborate. Staff also help clients obtain support services from the CAO. Program partners of the several contractors that serve Spanish-speaking populations provide clients with enhanced case management and other services, such as substance abuse counseling. After employment, programs provide the follow-up and support services described above.</td>
<td>10</td>
<td>3 to 6 months</td>
</tr>
<tr>
<td><strong>Programs Providing Vocational Training plus Job Readiness and Placement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One program provides vocational training through a subcontract, and the rest provide it directly. After training, a few programs place clients seeking employment in internships. Programs typically provide all of the pre- and postemployment support services described above; a few provide additional services, such as family counseling and life skills workshops.</td>
<td>22</td>
<td>3 to 6 months</td>
</tr>
<tr>
<td><strong>Programs Providing Basic Education/Vocational Training plus Job Readiness and Placement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>These programs typically offer a variety of support services. Several offer internships or paid work experience to clients who successfully complete training programs. Almost all help with child care, transportation, and special allowances from the CAO. Some provide direct financial assistance for work-related expenses. A few provide interview-appropriate clothing and help clients obtain driver’s licenses. After employment, these programs provide the follow-up and support services described previously. Some also provide evening GED classes.</td>
<td>48</td>
<td>3 to 12 months</td>
</tr>
</tbody>
</table>

*SOURCE: Telephone interviews with directors of 40 Community Solutions programs.

*Only the 40 Community Solutions programs included in the director interviews.

CAO = County Assistance Office; GED = general equivalency diploma; ESL = English as a Second Language.
IV

EARLY IMPLEMENTATION ISSUES AND CHALLENGES

During the program’s first year, Community Solutions contractors focused on implementing and refining program services, developing solid working relationships with CAOs, and meeting the program’s performance benchmarks. Many aspects of program implementation have gone smoothly, but several challenging issues have arisen as well. Because this report is based on telephone interviews with program directors, the implementation issues and challenges presented here describe primarily the experiences and perspectives of contractors. Our intention in this chapter is to identify potential operational lessons that can be learned from contractors’ early experiences in program implementation.

A. LEVEL OF REFERRALS TO COMMUNITY SOLUTIONS PROGRAMS

- Referrals have been lower than expected throughout most of the state.

When DPW requested bids for Community Solutions contracts in September 1997, the agency expected to have more than enough clients to refer to the program. However, in counties in which TANF caseloads have dropped precipitously, the number of referrals has been low. Across all the programs we examined, contractors had enrolled an average of about half their first-contract-year target enrollment number by the end of 1998 (Table IV.1). With two months remaining in the contract year, which ended February 28, 1999, one would have expected programs to have enrolled about 80 percent of their caseloads. In Philadelphia, where the TANF caseload has not dropped as rapidly as it has elsewhere in the state, contractors reported that the pace of enrollment generally was as expected. On average, Community Solutions contractors in Philadelphia had enrolled about 72 percent of their anticipated caseloads by the end of 1998. In contrast, contractors in other counties received far fewer referrals and had enrolled an average of only about 40 percent of their projected caseloads by the end of 1998.

DPW and the Community Solutions contractors have offered several explanations to account for the low level of referrals in some areas. First, TANF rolls have dropped more rapidly than DPW expected, particularly outside of Philadelphia, so that the number of potential clients requiring Community Solutions services has been lower than expected. DPW credits part of this drop to the success of short-term job placement programs, such as Rapid Attachment and Up Front. Second, in many counties, DPW has contracted with several Community Solutions contractors or other service providers who compete for a limited number of potential clients. Pennsylvania’s welfare reform law mandates that TANF recipients be permitted to choose the type of work-related activity in which they participate during their first 24 months in the TANF program. Thus, DPW cannot assign clients who have received TANF for less than two years to particular programs. Because recipients can...
TABLE IV.1

COMMUNITY SOLUTIONS ENROLLMENTS
AS OF DECEMBER 31, 1998

<table>
<thead>
<tr>
<th>Contractors</th>
<th>Number of Contracted Slots</th>
<th>Number Enrolled</th>
<th>Percentage Enrolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Philadelphia</td>
<td>1,650</td>
<td>1,194</td>
<td>72</td>
</tr>
<tr>
<td>In Other Counties</td>
<td>2,639</td>
<td>1,050</td>
<td>40</td>
</tr>
<tr>
<td>All Contractors</td>
<td><strong>4,289</strong></td>
<td><strong>2,244</strong></td>
<td><strong>52</strong></td>
</tr>
</tbody>
</table>

**SOURCE:** Telephone interviews with directors of 40 Community Solutions programs.

**NOTE:** At the time these data were collected, two months remained in the program’s first contract year. Consequently, one would have expected contractors to have enrolled about 80 percent of their caseloads.

*Includes only contractors who participated in director interviews.*

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choose from among the employment programs available in their county of residence, programs that are less attractive to recipients may receive fewer referrals.

Several contractors stressed the importance of educating CAO staff and potential clients about the program, to maximize the number of referrals they receive. For example, some contractors reported visiting CAO offices regularly, making presentations to CAO staff about the program, giving CAO staff brochures and flyers describing the program, and making presentations to potential clients. In addition, several reported focusing on developing a strong working relationship with their CAO and establishing a regular schedule for accepting referrals.

**B. Communicating a Consistent Program Message**

CAOs and contractors can engage clients in the task of finding and retaining employment most effectively when they work cooperatively and communicate a consistent message about the program’s objectives. From the contractors’ perspective, collaboration has succeeded fairly well during the program’s first year. However, contractors also identified the following three issues, the resolution of which would further strengthen the program: (1) the need to match clients with appropriate programs, (2) the need to provide support service payments to facilitate program participation, and (3) the need to communicate a consistent message about the type of employment clients should pursue.
The ability of contractors and CAOs to match clients consistently with appropriate service providers is constrained.

Because they focus on placing clients in particular jobs or industries, some Community Solutions programs can work more effectively with clients who meet some minimum qualifications. For example, in some programs that provide vocational training, clients must have basic reading and mathematics skills to participate in the training component. However, testing often reveals that these skills do not meet minimum requirements, even after the program has provided remedial instruction. Likewise, several contractors, especially employer-linked programs and those providing nursing assistant training, focus on placing clients with employers who do not accept applicants with criminal records. Because criminal background checks take several weeks to complete, programs must enroll clients before completing the checks and then develop alternative placements for those with criminal records.

Although both contractors and CAOs try to match clients with programs that can serve them most effectively, CAO caseworkers are somewhat constrained in their ability to steer clients to particular programs. For example, caseworkers must carry out a mandate to ensure that clients can choose the employment program in which they will participate. Moreover, conducting an in-depth assessment of clients’ abilities and needs is not feasible for CAO caseworkers or expected of them, because their limited interaction with clients is inadequate for developing a deep understanding of each client’s particular circumstances. From DPW’s perspective, it is unrealistic to expect that CAO caseworkers can detect harder-to-identify employment barriers such as substance abuse.

To some extent, DPW designed Community Solutions to mitigate the problem of mismatches between programs and clients. Contractors can spend as many as five days before enrollment conducting an initial assessment with each client and are not obligated to enroll clients deemed inappropriate for their programs. However, it is unlikely that contractors will detect such problems as criminal histories or substance abuse within this limited assessment period. Moreover, many programs, which have received fewer referrals than anticipated, are reluctant to reject any potential client.

A tension exists between CAO caseworkers’ concerns about the responsible use of support services funds and contractors’ expectations of a smooth transition into the program.

Contractors reported that, in general, clients are referred to the program with the support services they need to participate. However, in some instances, CAO caseworkers have been reluctant to authorize child care or transportation assistance for longer than one or two days during the initial assessment period, especially if they believe a client is unlikely to participate. In this case, contractors may respond in one of two ways. First, they can send these referrals back to the CAO. However, this step will delay service provision to the affected clients. In addition, the contractors risk losing potential enrollees. Second, many contractors find ways to begin serving clients while they resolve the problem with the CAO. For example, contractors have paid clients’ transportation expenses until CAO caseworkers authorize transportation allowances, even though they may not have budgeted funds for this
purposes. One contractor reported that some clients have had to bring their children to program activities until the CAO authorized child care allowances.

**Differences in TANF rules and Community Solutions performance goals sometimes have resulted in an inconsistent message to clients about the types of jobs they should seek.**

Some program directors believe that differences in TANF rules and performance goals for Community Solutions sometimes have resulted in an inconsistent message to clients about the types of jobs they should seek. For example, some directors reported that CAO caseworkers, when explaining TANF rules, have informed clients they could accept part-time jobs (for 25 hours per week) that pay minimum wage. This information is accurate and consistent with the CAO caseworkers’ mandate to explain TANF rules to recipients. However, it conflicts with the Community Solutions performance goals, which require clients to find full-time jobs (30 or more hours per week) that pay at least $6.50 an hour and offer medical benefits. From DPW’s perspective, it is the responsibility of contractors to convince clients to seek jobs with higher wages and benefits. In recognition of this potential difficulty, DPW emphasized to potential bidders the need to motivate clients to seek higher wages and more hours than the TANF standard. The agency rated potential contractors on the quality of their proposed strategies for convincing clients to meet these higher wage and hours targets. Nevertheless, from the contractors’ perspective, program effectiveness may be strengthened if the CAO and program staff give clients a more consistent message about the importance of seeking jobs that offer good wages and medical benefits.

C. **THE CONTRACTING MECHANISM**

Like other DPW-funded programs, Community Solutions is funded through performance-based contracts that tie payments to the achievement of specific performance goals with individual clients. Most contractors have operated other DPW contracts and therefore are accustomed to this contracting mechanism. However, contractors’ opinions about the value of performance-based contracting varied. Some contractors preferred performance-based contracting to other contracting options, whereas others believed that the performance goals, especially the job retention goal, may be difficult to achieve. Nevertheless, regardless of whether their reactions were positive or negative, most contractors reported that performance-based contracting had affected program operations. Several observations about this contracting mechanism’s influence on program operations emerged during our discussions with program directors and are described in this section.

**Implementing a reimbursement system based on meeting performance goals with individual clients is complicated.**

A contracting and payment system based on individual client outcomes requires a fairly complex set of rules and procedures. DPW must verify not only the employment status of individual clients, but also the number of hours that employed clients work per week. Similarly, the job retention benchmark requires verification that clients have not had...
unemployment spells lasting longer than seven calendar days during any 12-month period. Moreover, a performance-based system requires that both contractors and DPW staff track and verify individual client outcomes. In Community Solutions, contractors report client outcomes and request payment for achieving performance goals. DPW compares the contractors’ reports with client data collected in its management information system. When a discrepancy is discovered, payment for that client is withheld until the discrepancy is investigated and the computer data are corrected. This process has proved time-consuming for both contractors and DPW staff and, at times, has significantly delayed payments to contractors.

- **Performance-based contracting has influenced service delivery.**

Although the directors have held differing views on performance-based contracting, almost all reported that this contracting mechanism influenced program operations to some degree. Some directors reported that tying payments to the achievement of benchmarks for individual clients has encouraged them to focus on meeting the program’s performance goals. Several contractors even offered financial incentives to staff and clients to promote achievement of the goals. For example, as described in Chapter III, several contractors offer cash incentives to clients who retain their jobs for specified periods.

In addition, evidence suggests that performance-based contracting may prompt some contractors to implement selective admissions policies. For example, one director reported that her program has begun admitting clients to the program selectively, while referring individuals whom staff believe are unlikely to perform well back to the CAO at the end of the five-day assessment period. She also stated that her agency had not followed a selective admissions policy previously, but that performance-based contracting subsequently had influenced agency managers to enroll applicants judged most likely to achieve the program’s employment goals. Although this contractor (located in Philadelphia, where referrals are plentiful) was the only one to report implementing a selective admissions policy, the practice could become more prevalent if the level of referrals increases.

Finally, some contractors reported reacting to performance-based contracting by conducting planning and financial monitoring activities more carefully. To ensure that costs would be covered, these contractors gauged the likely pace of enrollment and staffed their programs conservatively until enough clients were enrolled. They then adjusted staffing levels on the basis of the number of referrals during the initial months of program operation.

- **Programs’ financial viability depends on their ability to meet enrollment targets.**

Because contractors are paid for achieving performance benchmarks with individual clients, programs must have an adequate number of referrals to generate the income needed to provide services. The uncertainty inherent in a performance-based contracting system in

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1DPW verifies employment and retention outcomes by contracting with a vendor who conducts follow-up surveys with employed Community Solutions clients.
which the level of referrals cannot be guaranteed makes planning service delivery strategies and staffing levels difficult. If contractors begin the program with a full staff but do not receive the expected number of referrals, they may fail to cover their costs. Similarly, if contractors staff the program too conservatively and then receive numerous referrals, their staffing levels may be insufficient to serve clients.

Even if referrals are lower than anticipated, contractors must employ a minimum number of staff to operate the program. If the level of referrals remains below a minimum threshold, even conservatively staffed programs may incur costs that cannot be recovered. Several Community Solutions contractors with lower-than-expected rates of referrals have had to subsidize their programs with other agency resources, such as United Way funds or foundation support, which had been targeted for other uses. In some cases, directors reported that reliance on funding from other agencies had raised concern among agency managers, as the agencies’ ability to operate other programs may be jeopardized. To some extent, payment delays have exacerbated this situation, because contractors must use other agency funds to “float” the program until payment is received.

The variety and nature of implementation challenges described by Community Solutions contractors are neither unexpected nor unusual for a new program in its start-up phase. As the contractors and DPW gain more experience with the Community Solutions program, they undoubtedly will seek to develop new strategies to improve both service delivery and financial management. The strategies developed for addressing these challenges will provide DPW with important lessons that can be incorporated into future programs and initiatives designed to help TANF recipients find and retain employment.

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2DPW has attempted to mitigate some of the uncertainty in the level of referrals by guaranteeing to pay contractors 70 percent of the funds set aside for the participation benchmark (the payment for each client who completes the five-day assessment and enrolls in the program), as long as contractors meet the program’s performance goals. For most contractors, the participation payment is $1,000 per client, or one-quarter of the maximum $4,000 per client that contractors can earn if they achieve all performance benchmarks. A program that is contracted to serve 100 clients can expect to receive a maximum of $400,000. DPW would guarantee this contractor a minimum of $70,000 (100 clients × $1,000 per enrollment × 70 percent) if enrollments are lower than expected and if the contractor met all the program’s performance goals with enrolled clients.
<table>
<thead>
<tr>
<th>Contractor</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local Collaboration Program</strong></td>
<td></td>
</tr>
<tr>
<td>Arbor, Inc.</td>
<td>Philadelphia</td>
</tr>
<tr>
<td>Berean Institute</td>
<td>Philadelphia</td>
</tr>
<tr>
<td>Booker T. Washington Center</td>
<td>Erie</td>
</tr>
<tr>
<td>Educational Data Systems</td>
<td>Philadelphia</td>
</tr>
<tr>
<td>Greater Erie Community Action Committee</td>
<td>Erie</td>
</tr>
<tr>
<td>Hispanic American Organization</td>
<td>Lehigh</td>
</tr>
<tr>
<td>Northern Area Multi-Service Center</td>
<td>Allegheny</td>
</tr>
<tr>
<td>Worksmith Institute</td>
<td>Allegheny</td>
</tr>
<tr>
<td><strong>Employer-Linked Program</strong></td>
<td></td>
</tr>
<tr>
<td>Arbor, Inc.</td>
<td>Dauphin</td>
</tr>
<tr>
<td>Coatesville YWCA</td>
<td>Chester</td>
</tr>
<tr>
<td>Greater Erie Community Action Committee</td>
<td>Erie</td>
</tr>
<tr>
<td>Commission on Economic Opportunity</td>
<td>Luzerne</td>
</tr>
<tr>
<td><strong>Innovations Program</strong></td>
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<tr>
<td>Appalachian Youth Service</td>
<td>Blair</td>
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<tr>
<td>Appalachian Youth Service</td>
<td>Cambria</td>
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<tr>
<td>BASE</td>
<td>Lancaster</td>
</tr>
<tr>
<td>Catholic Charities</td>
<td>Allegheny</td>
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<tr>
<td>Commission on Economic Opportunity</td>
<td>Luzerne</td>
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<tr>
<td>Connelly Technical Institute</td>
<td>Allegheny</td>
</tr>
<tr>
<td>Curtis &amp; Associates</td>
<td>Philadelphia</td>
</tr>
<tr>
<td>Delaware County Community College</td>
<td>Delaware</td>
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<tr>
<td>Delaware County Technical Schools</td>
<td>Philadelphia</td>
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<td>Employment Opportunity and Training Center</td>
<td>Lackawanna</td>
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<td>Erie Area Job Training Partnership</td>
<td>Erie</td>
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<td>Forbes Road East Area Vocational-Technical School</td>
<td>Allegheny</td>
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<td>Goodwill of Pittsburgh</td>
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<td>Lehigh</td>
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<td>Hispanic American Organization</td>
<td>North Hampton</td>
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<td>Impact Services Corporation</td>
<td>Philadelphia</td>
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<td>Jewish Employment and Vocational Services</td>
<td>Philadelphia</td>
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<td>Maximus, Inc.</td>
<td>Philadelphia</td>
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<td>Mayor’s Office</td>
<td>Philadelphia</td>
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<td>Northwest Institute of Research</td>
<td>Erie</td>
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<td>People’s Emergency Center</td>
<td>Philadelphia</td>
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<td>PROBE</td>
<td>Lebanon</td>
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<td>Program for Female Offenders</td>
<td>Allegheny</td>
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<td>Three Rivers Employment Services</td>
<td>Allegheny</td>
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<tr>
<td>Threshold Rehabilitation Services</td>
<td>Berks</td>
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<td>Universal Community Homes/CET</td>
<td>Philadelphia</td>
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<td>Washington/Green County Job Training Agency</td>
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<td>Washington/Green County Job Training Agency</td>
<td>Washington</td>
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SOURCE: Interviews with program directors of 40 Community Solutions programs.
APPENDIX B
TELEPHONE INTERVIEW PROTOCOL
COMMUNITY SOLUTIONS CONTRACTORS

1. When did you begin serving clients under your Community Solutions (CS) contract?*

2. How many clients have been referred to you by DPW? How many have completed the five-day assessment process? How many have exited the program? How many have been placed in full-time employment?*

3. So far, has the flow of referrals from DPW been what you expected? If not, how has it been different, and has this caused any difficulties or problems for your CS program?

4. Does your agency have previous experience providing job placement and employment services? Job retention services for clients who are already employed? Providing services to current or former welfare recipients?

5. Are the services you provide through CS similar to services you provide to other client groups? Does CS operate as a separate program within your agency, or are CS activities integrated with existing services funded by other sources or programs?

6. What led your agency to bid on a CS contract, and why did you choose to implement the [innovations, local collaboration, employer-linked] model? Please describe your basic model of service delivery.

7. How many staff do you have for your CS program, and what do they do? Do any of these staff also work on other programs or contracts? Do any of these staff work nontraditional business hours (evenings or weekends)?

8. So far, what are the primary needs that clients have? What are their main barriers to obtaining jobs? To keeping their jobs? Are the barriers faced by CS clients different from barriers faced by other welfare clients you have served through other programs?

9. Now I’d like to ask about the services that your CS program provides. Do you provide:

   -- Case management
   -- Job readiness training
   -- Vocational training (if yes, do you provide training directly or through referral?)
   -- Job search assistance
   -- Job placement
   -- Help finding child care arrangements
   -- Help with transportation
   -- Financial assistance for work-related items such as uniforms or tools
   -- Help obtaining transitional benefits like Transitional Child Care or Medicaid
   -- Other financial assistance

*We will request this information, along with any written materials that describe the organization and/or its Community Solutions program, prior to the telephone interview.
-- Help obtaining EIC
-- Other services

Ask for a brief description of each service provided and the length of time the service is provided (if appropriate).

10. What services does your agency provide once clients obtain employment? Do you provide:

-- Case management
-- Followup and monitoring
-- Mediation with employers
-- Reemployment services for clients who become unemployed
-- Financial assistance
-- Help with transportation
-- Help with child care
-- Help obtaining transitional benefits
-- Advancement/career development
-- Skills upgrade
-- Other services

Ask for a brief description of each service provided and the length of time the service is provided (if appropriate).

11. How often do you plan to follow up with clients once they obtain employment? What methods will you use or are you using? Are follow-up activities the same for all CS clients, or do they differ according to client characteristics, job characteristics, or other criteria? Which methods have worked best so far?

12. Roughly what proportion of staff time and resources do you expect to devote to job placement, job retention, and advancement/career development? Why?

13. My understanding is that CS is a performance-based contract, offering a variety of financial incentives to programs when clients achieve milestones such as obtaining full-time employment, obtaining a job with medical benefits, and sustaining employment for a year. How does this funding structure affect the way in which your agency provides services?

14. So far, what have been the main challenges you have faced in implementing your CS program? What strategies have you tried for overcoming these challenges?

15. What were your agency’s initial projections for the number or proportion of CS clients who would be placed in jobs and retain their jobs for 12 months? Based on your experience with CS so far, do you think your agency is on track to meet those projections? Are there challenges or problems that could prevent your agency from reaching initial performance targets? If so, how are you attempting to address these challenges?
TO: Diane Paulsell

FROM: Community Solutions Contractor

DATE: 3/10/99

SUBJECT: Community Solutions Program Statistics

Please complete this form and return it by fax to Diane Paulsell at Mathematica Policy Research prior to our interview date. In addition, please include any brief written materials (such as a brochure or a handout for clients) describing your agency or your Community Solutions program. Thank you.

I. Program Startup

Date your agency began enrolling Community Solutions clients: __________________________

II. Program Statistics

As of December 31, 1998:

Number of Community Solutions clients referred by DPW: __________________________

Number of Community Solutions clients who have completed the five-day assessment: __________________________

Number of Community Solutions clients who have been terminated from your program: __________________________

Number of Community Solutions clients your agency has placed in full-time employment: __________________________
MEMO TO: Diane Paulsell  
FROM: Community Solutions Contractor  
DATE: 3/10/99  
PAGE: 2

III. Services

Please indicate whether your Community Solutions program provides the following services before and after clients enter full-time employment. During the telephone interview, we will talk briefly about each of the services your program provides. Because each Community Solutions program is unique, we do not expect that individual programs provide all of the services listed.

<table>
<thead>
<tr>
<th>Service</th>
<th>Before Employment</th>
<th>After Employment</th>
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<tbody>
<tr>
<td>Case management</td>
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<tr>
<td>Job readiness training</td>
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<tr>
<td>Vocational training</td>
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<td>Job search assistance</td>
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<td>Job placement</td>
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<tr>
<td>Help finding child care arrangements</td>
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<td>Help with transportation</td>
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<tr>
<td>Financial assistance for work-related expenses</td>
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<tr>
<td>Help obtaining transitional benefits</td>
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<td>Other financial assistance</td>
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<tr>
<td>Help obtaining the Earned Income Credit</td>
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<td>Followup and monitoring</td>
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<td>Mediation with employers</td>
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<td>Reemployment services when clients lose jobs</td>
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<td>Advancement/career development</td>
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<td>Skills upgrade</td>
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<td>Other:</td>
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<td>Other:</td>
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<td>Other:</td>
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