

-- Final Report --

The Social Service Provider Study

**Part III of the
Impacts of Welfare Reform on
Community Social Services in Indiana**

Funded by:

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Executive Summary

This report presents findings from the Social Service Provider Study (SSPS). The SSPS is one part of a larger study on welfare reform conducted by the Institute for Family and Social Responsibility at Indiana University and funded by Indiana's Family and Social Service Administration, The Joyce Foundation, and the Indiana Township Association.

The SSPS was conducted in order to understand the impacts of welfare reform on social service providers. Specifically, the study attempted to answer the following research questions: (1) What is the existing capacity of social service agencies serving current and former welfare recipients?; (2) What are the impacts of welfare reform on changes in service demand and changes in services provided?; (3) What kinds of employment services do these organizations provide directly and what kind of employment services do these organizations offer through referrals?; (4) How well are service providers delivering employment and training programs and related service to Indiana's welfare caseload?; (5) What are the barriers that social service organizations face in moving clients from welfare to work?; and (6) What are the impacts of welfare reform on changes in collaboration and cooperation patterns among direct service providers, and changes in the social service system?

Using a field network research strategy, the SSPS collected 295 in-depth, face-to-face interviews with executive directors of social service organizations that provide and/or coordinate services for current and former welfare recipients. Interviews were conducted in 1999 in seven Indiana counties, representing six case studies. The counties targeted in this study include Bartholomew, Greene, Harrison, Floyd, Howard, Lake, and Marion. Respondents were selected using a non-random, modified (soft) quota sampling technique. An overall response rate of 86 percent was obtained.

Findings from the SSPS reveal that approximately 75 percent of the social service agencies in the sample report being unable to meet service demands since Indiana's welfare reform began in 1995. Similarly, over two thirds of the organizations sampled report increases in demand for services. Secular, non-profit service providers report the largest increases in service demands, while government agencies more

frequently report that no change has occurred. However, only 21.8 percent report that they have tightened eligibility requirements for a specific service or program.

These large increases in service demand have been accompanied by a change in the types of clients receiving service. Social service providers report more clients who are harder to reach, employ, and keep employed. Clients are more frequently faced with substantial physical, psychological, and developmental disabilities that require intensive case management.

In order to address these growing and changing service demands, social service organizations added staff and have expanded their capacity to meet the needs of current and former welfare recipients. Between 1994 and 1998, the average agency added 13 new staff members; however, there has been no change in the number of current and former welfare recipients employed by social service providers. The largest staff growth has occurred in organizations that provide employment and training related services. Part of this staff growth reflects an average budget increase of 33 percent between 1994 and 1998 – not controlling for inflation. Much of this increase reflects the increased availability of federal funds.

The shift towards greater reliance on federal funds has also accompanied a growing perception among directors of social service agencies that the funding for social services targeted towards current and former welfare recipients has become too complex. There are too many funding streams and eligibility criteria, and social service providers are having a hard time keeping up with changing revenue sources, as well as different administrative rules for each funding stream that determine eligibility. This level of confusion among service providers may explain why thousands of Indiana families remain eligible for programs, such as food stamps, but do not receive benefits and services.

In general, social service providers believe they are doing an excellent job of service coordination and delivery; however, social service providers rank their ability to offer employment related services, such as job placement, as their weakest link.

Introduction

As states implement Congress' latest version of welfare reform — the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 — they will have to decide how they will meet the needs of current and former welfare recipients. Given that this law imposes work requirements and time-limits on welfare recipients, as well as penalties on states for failing to implement these provisions, state governments are facing mounting pressure to move welfare recipients into the labor market, while also making sure that current and former welfare recipients are not pushed further into poverty.

While some states may choose to create a new organizational infrastructure to operate welfare-to-work programs and to deliver social services to meet basic human needs, most states have opted for the less costly alternative of utilizing existing human service organizations and local intermediaries to deliver these services. To date, Indiana, like many states, has largely followed this latter path. Even though non-governmental human service agencies across the nation have a long history of serving current and former welfare recipients, the recent changes to the nation's welfare laws have fostered concerns relating to the role of this industry in the success of welfare reform.

Many fear that human service providers will be overwhelmed by the increased demand for services and will not be able to meet the needs of former welfare recipients whose benefits were terminated because they did not (or could not) comply with the work requirements and time limits. The result is likely to be a racheting-up of eligibility criteria to receive services, leaving many needy individuals and families without access to human service providers (Bickers, 1998).¹ If providers do not limit access to services, then existing services will be diluted by increased service demand, unless more resources are made available, reducing the likelihood that these services will have their desired impact.

Some speculate that the political orientation of many human service agencies and workers will prohibit the effective implementation of work requirements for welfare recipients, since many social service providers are perceived to be against a “work first” approach to welfare reform (Provencher, 1990; Payne, 1996).² If true, this will leave welfare recipients in the

¹ Bickers, Kenneth, N. “Social Welfare Provision in American Communities: The Role of Nonprofit Organizations.” Paper presented at the American Political Science Association, Boston, MA. September 1998.

² Provencher, Paul, J. Welfare Recipients and Employment: The Influence of the Attitudes of Case Managers and Other Factors on Program Performance in Local Welfare Office. Unpublished Ph.D. dissertation. Boston, Mass.:

unfortunate situation of exhausting their benefits and being unable to meet basic needs, in part, because human service providers are not expected to provide much support and assistance to clients in meeting work requirements.

Others assume that the philanthropic sector will fill the impending service- and funding-gaps, increasing financial support for innovative organizations that help current and former welfare recipients meet basic human needs, especially programs that prepare and support labor force participation. However, some members of the philanthropic community may be reluctant to assume a greater role in assisting human service providers, since increased support for these organizations may send a signal to governments at all levels that a reduction in spending on programs targeting current and former welfare recipients will not produce any real negative consequences. Moreover, the philanthropic community may be reluctant to assume a larger role in meeting the needs of current and former welfare recipients, since this policy area has traditionally been defined as a function of the public sector.

These concerns are being fueled, in part, by the substantial decline in the number of American families on welfare, peaking at approximately 5 million in 1994 and dropping to roughly 2.5 million in 2000. These declines have been even more dramatic in the State of Indiana where the number of families on welfare has dropped from over 70,000 in 1994 to approximately 30,000 in 2000. While the rate of welfare caseload decline has starting to slow in many states, it does not appear that there are enough jobs available to employ many of these former welfare recipients. For example, in Indiana current estimates suggest that there are roughly three low-skilled job seekers for every low-skilled job in the state (Kleppner and Theodore, 1997).³ As large numbers of welfare recipients move off the rolls and face limited employment opportunities, there is a growing concern that many of these former welfare recipients will turn to non-governmental human service agencies to help make ends meet.

Some have described the increased reliance on non-governmental organizations and services designed to assist current and former welfare recipients meet work requirements and time-limits as devolution through the non-profit sector (Nathan, 1996).⁴ This form of devolution

Brandeis University. 1990; Payne, James, L. "Absence of Judgment," *Policy Review: The Journal of American Citizenship*, No. 80, Nov.-Dec. 1996.

³ Kleppner, Paul, and Theodore, Nikolas. *Work After Welfare: Is Indiana's Booming Economy Creating Enough Jobs?* Office of Social Policy Research, Northern Illinois University. 1997.

⁴ Nathan, Richard. "The 'Nonprofitization Movement' as a Form of Develolution." The Nelson A. Rockefeller Institute of Government Working Paper Series. The State University of New York, Albany. 1996.

raises a number of important questions: Does the social service industry have the capacity to meet the demands of current and former welfare recipients?; Will social service organizations limit eligibility criteria in order to control potential growth in demand for services?; Do social service organizations support the most current round of welfare reform or are these organizations opposed to these changes, limiting their effectiveness at helping clients meet work requirements and avoid exhausting benefits?; and Have social service providers received increased financial support from philanthropic organizations in order to meet the new challenges of welfare reform or has the philanthropic sector refused to accept the well-established role of the public sector in meeting the needs of the welfare poor?

Organization of the Report

Answers to these (and other) questions are provided in this report. The report begins with a brief description of welfare reform in Indiana. This section is designed to provide a context for understanding when welfare reform began in the state, the incremental changes in state-level welfare policy before and after the 1996 federal law, the extent of declines in the state's welfare caseload, and the economic environment in the state that accompanied welfare reform.

This background section is followed by a discussion of the study's primary research questions, research design, data sources, and findings. The report concludes with a set of policy implications based on the study's findings. The appendix provides supporting material, including a copy of the Social Service Provider Study questionnaire, as well as five county case studies written by field associates and designed to provide more detailed description of how welfare reform has affected social service providers at the local level.

Welfare Reform in Indiana

Indiana was one of the first states to adopt an emphasis on "Work First" and "Personal Responsibility" by replacing cash assistance with transitional services that help people depend less on public aid. Initiated statewide in May 1995, the program goals include increased client self-sufficiency and decreased reliance on welfare, increased client employment, the encouragement of responsible parenting, and development of working partnerships with local government, community agencies, churches and businesses. The program, developed initially under Governor Evan Bayh, was implemented and continued with several significant changes

under Governor Frank O'Bannon. Over one year before the federal welfare reforms legislated under the August 1996 Personal Responsibility and Work Opportunity Reconciliation Act's (PRWORA) creation of Temporary Assistance to Needy Families (TANF), the Indiana welfare reform program included a Personal Responsibility Agreement or social contract, time-limits on adult eligibility for cash assistance, a family cap, and financial sanctions for failure to meet parenting and program responsibilities.

Indiana received over thirty waivers from the US Department of Health and Human Services to initially implement their version of welfare reform. A condition for receipt of the federal waivers was a rigorous evaluation of the Indiana experiment. Conducted by Abt Associates, the Urban Institute and Indiana University, the first major evaluation findings were reported in May 1998. Subsequent reports from these groups will continue through 2003. Under separate contract with the Institute for Family and Social Responsibility at Indiana University and in collaboration with the Joyce Foundation and the Indiana Township Association, a complementary evaluation was designed and executed. The final report of this latter evaluation constitutes the substance of this document.

To interpret our evaluation findings, it is important to understand the fundamentals of welfare reform in Indiana. The State shifted from a welfare program with an education and training orientation to one with a strong "Work First" emphasis. The rationale for the shift was that employment and job experience of any type will better position welfare recipients to improve their employment skills and eventually become economically independent.

The State took a multi-pronged approach to achieve this shift to a "Work First" program. First, the Indiana Manpower Placement and Comprehensive Training (IMPACT) program placed less emphasis on education and training and increased funding and participation in job search and job readiness activities. Second, local discretion in contracting services was expanded and more contracts were performance based, thus linking payments to contractors based on actual client outcomes. Third, all mandatory welfare recipients were assessed for job-readiness.⁵ Those found to be job-ready were assigned to a Placement Track and were subjected to a special

⁵ Through June 1997, Indiana continued to exempt parents with children under the age of three as well as most other clients who met federal Job Opportunities and Basic Skills Training (JOBS) program exemptions. IMPACT was Indiana's JOBS program until 1996 when PRWORA ended the JOBS program.

⁵ See Pamela Holcomb *et al.*, *Building an Employment Focused Welfare system: Work First and Other Work Oriented Strategies in Five States* (Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, 1998).

set of rules and work incentives. Fourth, the state's Family and Social Services Administration (FSSA) also gave each of Indiana's 92 county welfare directors' monthly job placement goals, monitored their progress towards these goals, and indicated that their job evaluations would be based on their achievement of these goals. The Urban Institute's on-site interviews with front-line staff and their statewide survey of county welfare directors indicated that the welfare culture in Indiana had been significantly altered by these changes.⁶

Indiana's welfare program was initially a two-track program. Clients who were not judged "job-ready" by IMPACT family case coordinators (FCCs) were allowed to meet their 20-hour per week IMPACT participation requirement through education and training activities with little effort devoted to job search. The clock marking use of the state's 24-month state time limit did not move for welfare recipients assigned to the Basic Track. If the FCCs formal assessment tool found clients to be job-ready, they were assigned to the Placement Track. Placement Track participants were subject to the following policies: a lifetime limit of 24 months on *adults'* eligibility for cash assistance; a minimum of 20 hours per week of mandatory job search and work activities; stricter financial sanctions for noncompliance with program requirements, and; special work-support incentives including extended eligibility for supportive services after earnings result in zero cash transfers and a "fixed grant" that ignored *increases* in earnings beyond those initially counted against the welfare grant payment.

There were numerous and substantial changes in the Indiana welfare program that took effect in June 1997.

Beginning in June 1997, *all* mandatory IMPACT participants were subject to the State's 24-month time limit, not just individuals in the Placement Track.

Prior to June 1997, eligible adults with children under the age of three were not mandatory IMPACT clients. Effective June 1997, newly mandatory adults with children between the ages of two and three were subject to the state time limit on cash assistance. Six months later, exemptions for adults with children between the ages of one and two were eliminated and all able-bodied parents and

⁶ See Pamela Holcomb *et al.*, *Building an Employment Focused Welfare system: Work First and Other Work Oriented Strategies in Five States* (Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, 1998).

caretakers with children over the age of one generally were mandatory for IMPACT.

✍✍ Prior to June 1997, adults reaching the 24-month time limit lost the adult portion of their welfare grant for a period of 36 months after which they could reestablish their eligibility for cash assistance. Beginning June 1997, the 24-month time limit became a *lifetime* limit on adult eligibility for cash assistance.

✍✍ The manner in which the time limit was calculated changed. Initially, the clock began in the month when the recipient was assigned to the Placement Track and continued to tick even if the recipient stopped receiving TANF benefits.

Beginning in June 1997, the number of months of welfare eligibility remaining was reduced only by months in which the adult mandatory IMPACT participant received cash assistance.

✍✍ The distinction between the Basic and Placement Tracks was dropped for all mandatory IMPACT participants. The “Work First” emphasis was applied to all mandatory adult recipients including those who had previously been assigned to the Basic Track.

✍✍ Adult recipients were allowed to “earn” additional months of TANF benefits. For every six consecutive months of full-time employment, one additional month of TANF benefits could be earned. Eligible adult welfare recipients could retain a maximum of 24 months of benefits at any point in time. TANF recipients could request extensions of cash benefits for a period of time equal to the number of “earn-back” months.

✍✍ The “fixed-grant” provision that permitted welfare recipients to retain a greater amount of their earnings and still receive the same welfare grant was eliminated. Previously, the state disregarded *additional* earnings beyond those counted in determining welfare eligibility unless the client hit the 24-month time limit or earnings exceeded the federal poverty line.

✍✍ Prior to June 1997, the resource limit for Placement Track participants was \$1,500. In June, this ceiling was lowered to \$1,000.

✍✍ Prior to June 1997, when the earnings of Placement Track adults resulted in the reduction of the welfare grant to zero, the adult recipient and eligible family

members continued to be technically eligible for cash assistance and thus, were allowed Medicaid, child care and other supportive services. Beginning June 1997, these work supports were extended to all cases.

Between May 1995 and June 1997, welfare recipients were required to sign the state's new social contract outlining the obligations of the State and welfare recipient. The contract, the Personal Responsibility Agreement (PRA) required timely immunizations for children, ensuring school attendance, and requiring minor parents on welfare to live at home or with a responsible adult. Additional requirements were added to the PRA beginning June 1997. These included the requirement of parents to provide a safe and secure home, free of child abuse or neglect, domestic violence, illegal drugs or other substance abuse. Failure to sign the PRA or meet the terms of the agreement generally resulted in a \$90 monthly sanction.

The State's school attendance requirement was formalized in June 1997.

Previously, local standards were used to determine if unexcused absences were excessive. In June, excessive absenteeism was defined as three or more unexcused absences in a grading period. Further, extended refusal or failure to comply with the school attendance treatment plan could result in a reduction in the amount of the welfare grant equal to removing the needs of both the child and caretaker.

Indiana's welfare program always had a family cap, meaning that cash benefits did not increase for births occurring more than 10 calendar months after initial welfare receipt if the child was conceived in a month when the mother received cash assistance. Exceptions included verified (police or physician) cases of rape or incest as well as first births to minors. Beginning in June 1997, additional exceptions were made for children born with substantial or verified physical or mental disabilities.

Penalties for noncompliance with the Child Support Enforcement (CSE) program were stricter beginning June 1997. Previously, failure to comply with the CSE program could result in the removal of the adult portion of the welfare grant. In cases involving paternity establishment, the stricter sanction included the loss of

the adult and child (for whom paternity was in question) portion of the welfare grant providing that an adult-only sanction had been in place for at least six months (beginning June 1999). The child for whom paternity was in question continued to be eligible for Medicaid.

✍✍The definition of acceptable minor parent living arrangements was narrowed in June 1997. Previously, minor parents could live with a non-related adult in a supervised, supportive living arrangement. The option was eliminated, thus requiring minor parents under the age of 18 to live with a parent, related adult, legal guardian or other adult holding legal custody of the minor.

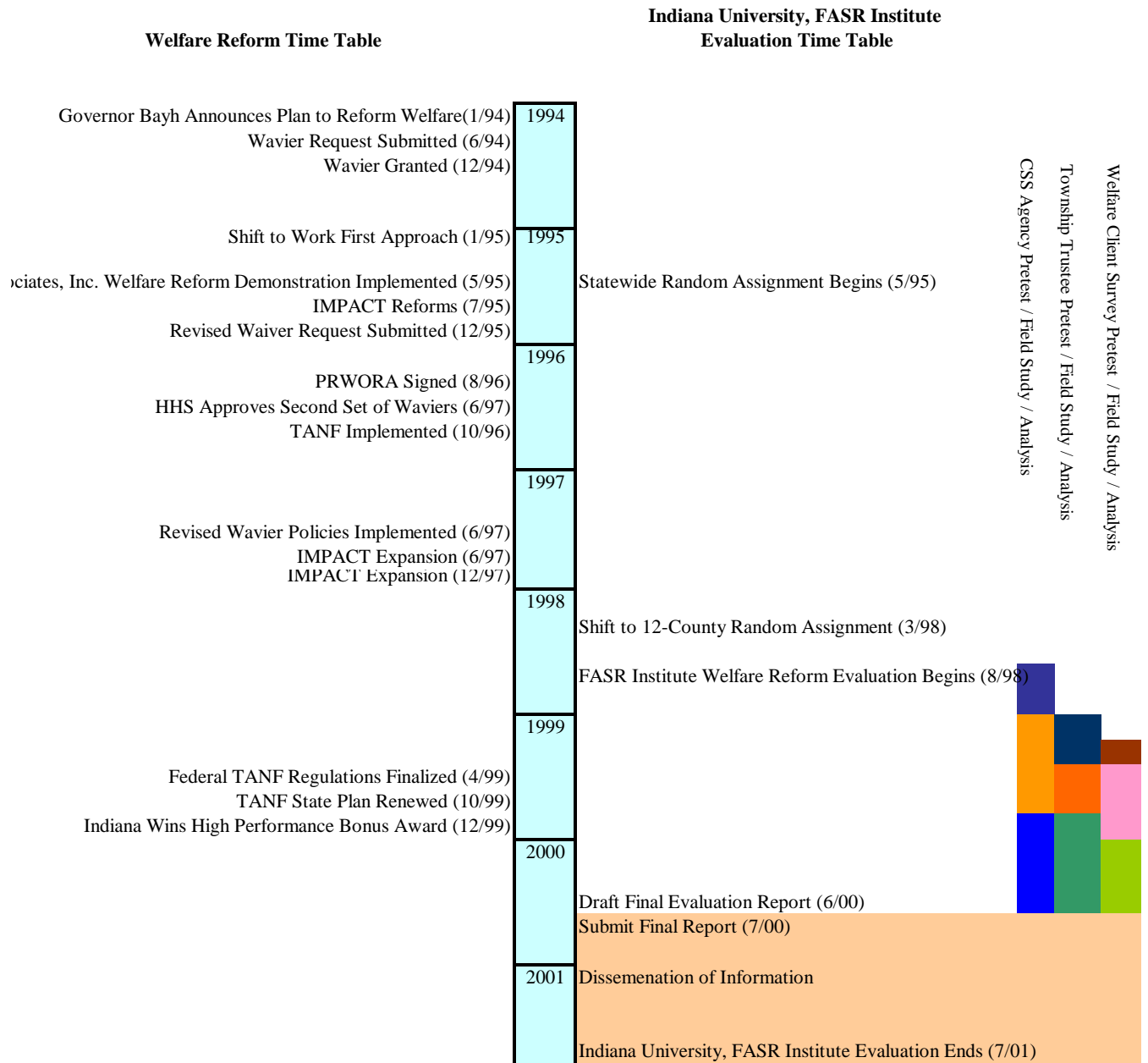
Thus, the pre and post- June 1997 welfare programs in Indiana differed along numerous dimensions and these differences were substantial and significant. The Work First program applied to a larger proportion of welfare recipients thus expanding the pool of recipients subject to time limits and employment and training requirements. The content of the PRA changed, stricter sanctions for noncompliance were imposed and financial work incentives and work supports changed. Figure 1 presents a timeline for these state-level changes in welfare reform policy, as well as a timeline for the current study.

Indiana's Economic Context

At the same time that welfare reforms were initiated in Indiana, the state was experiencing economic prosperity along with the rest of the country. In 1998, Indiana's unemployment rate was 3.1 percent, down from 4.9 percent in 1994. In 1998, approximately 3 million people were working in the state, up from roughly 2.9 million in 1994. The number of people falling under the poverty line has decreased from a three-year average of 11.8 percent in 1993-95 to a three-year average of 8.6 percent in 1996-98. With this bright economic picture, it is not surprising that the number of people on TANF has also declined rapidly, more rapidly than in other states. January 1994 saw the peak number of AFDC households (71,141). There was a small decrease to 67,123 households in 1995 as welfare reforms were put into place. The decline since 1995 has been dramatic, reaching a total of 36,961 households in January 1998. Since then, the TANF rolls have continued to decline to 29,330 but show some sign of leveling off in 2000. This represents a decline of almost 60 percent since the peak in 1994. Food Stamp receipts have also been declining during this time, but not as dramatically as AFDC/TANF. In

1995, there were 492,997 individuals receiving Food Stamps. By 1998, that number had declined to 321,375 – a decline of 34.8 percent. Naturally, in a state with a strong economy, it is difficult to sort out the differential impact of welfare reforms on declining caseloads versus the availability of jobs for people who, in a more constrained job market, might not find employment so easily.

Exhibit 1
Indiana Welfare Reform Timeline



Overview of the Community Social Services Study

The Community Social Service Study, conducted by the Indiana University Institute for Family and Social Responsibility, is organized around three sub-studies. First, a telephone survey of 1,495 welfare and post-welfare clients in randomized treatment and control groups was conducted. Known as the Client Study, this survey assesses the frequency of requests for assistance by current and former welfare recipients, whether or not assistance was received, the nature of the assistance, and clients' satisfaction with non-welfare social supports. Additionally, this survey assesses clients' perceptions of their most significant barriers to employment, their experiences with agencies providing employment and training services, including the employment and training services provided that most facilitated their transition to employment, as well as any perceived gaps in or quality problems with the provision of such services.⁷

Second, a mail-survey of all township trustees in the state was conducted, including an analysis of township-level administrative records. These locally elected officials are responsible, in part, for providing the state's poor-relief program – a substitute for a General Assistance Program which does not exist in Indiana. Known as the Township Trustee Study, this sub-study provides an analysis of services provided, staffing patterns, poor relief expenditures, the number of persons presenting themselves for services, the number denied services, reasons for denial, and referrals made to other community agencies. To supplement this analysis, a separate set of in-depth interviews were conducted with township trustees, providing a mapping of the referral networks that exist in different types of counties, both for current TANF clients and for clients that have exhausted their eligibility under TANF.⁸

Third, a face-to-face survey of 295 executive directors of social service agencies that provide services to current and former welfare recipients was conducted. Known as the Social Service Provider Study (SSPS), this sub-study provides an analysis of welfare reform's impact on the ability of these organizations to meet the needs of Indiana's welfare caseload. The findings of this study are presented in the remainder of this report which includes: (1) a discussion of the study's primary research questions; (2) a description of the study's research

⁷ Findings from the Client Study are summarized in a separate report prepared by the Indiana University Institute for Family and Social Responsibility.

⁸ Findings from the Township Trustee Study are summarized in a separate report prepared by the Indiana University Institute for Family and Social Responsibility.

design; (3) an accounting of the study's data sources; (4) a presentation of findings; and (5) a discussion of policy implications based on the study's findings.⁹

Social Service Provider Study Research Questions

As Indiana's welfare reform initiatives continue to be implemented, existing social service providers are likely to experience some shifts and changes in its client population and its referral processes. Since these service providers are a critical component of the local safety net for the poor, it is essential to document any changes in the demand and the capacity of these organizations to respond to client needs experienced in the wake of Indiana's welfare reforms. In the first wave of client interviews in the evaluation of Indiana's welfare reform, conducted by Abt Associates and the Urban Institute, "about one out of four survey respondents reported receiving help from a food bank or soup kitchen since the month of random assignment, suggesting that such community organizations play an important role for welfare recipients. More generally, the private sector plays an important role for welfare recipients; about half of all survey respondents reported receiving some help from the private sector..."¹⁰ As recipients are sanctioned for noncompliance or leave the welfare rolls after hitting time limits or securing employment, they may turn to community-based social service providers for assistance if their incomes are not sufficient to meet basic needs. Some social service providers have predicted that they may see significant increases in caseloads when the two-year time limits impact families, thus creating a hardship at these organizations. Others have expressed concern that other community agencies and local offices of state agencies that have historically provided services will be overburdened as well and not responsive to client needs. Some providers reported anecdotal evidence of increases in food pantry and soup kitchen utilization in 1997. Others have noted an increase in the number of people applying for township assistance, even as the welfare rolls have declined. However, some have suggested that new partnerships between the trustees and local community agencies will create innovative services at the local level to respond to

⁹ The appendix provides supporting material, including a copy of the Social Service Provider Study questionnaire, as well as five county case studies written by field associates and designed to provide more detailed description of how welfare reform has affected social service providers at the local level.

¹⁰ Fein, D.J.; Beecroft, E.; Hamilton, W.; Lee, W. S.; Holcomb, P. A.; Thompson, T. S. & Ratcliffe, C. E. (1998). "The Indiana Welfare Reform Evaluation: Program Implementation and Economic Impacts After Two Years." Bethesda, MD: Abt Associates, Inc.

unique community characteristics and needs of low-income citizens seeking self-sufficiency.

This study has attempted to document some of these processes.

With the above context in mind, the social service provider component of the Community Social Services Study has addressed the following research questions:

- ✍✍ What is the existing capacity of social service agencies serving current and former welfare recipients? That is, what are the existing staffing patterns and funding streams in these organizations?
- ✍✍ What are the impacts of welfare reform on changes in service demand and changes in the services provided?
- ✍✍ What kinds of employment services do these organizations provide directly and what kind of employment services do these organizations offer through referrals?
- ✍✍ How well are service providers delivering employment and training programs and related services to Indiana's welfare caseload?
- ✍✍ What are the barriers that social service organizations face in moving clients from welfare to work?
- ✍✍ What are the impacts of welfare reform on changes in the collaboration and cooperation patterns among direct service providers, and changes in the social service delivery system?

Social Service Provider Study Research Design and Methodology

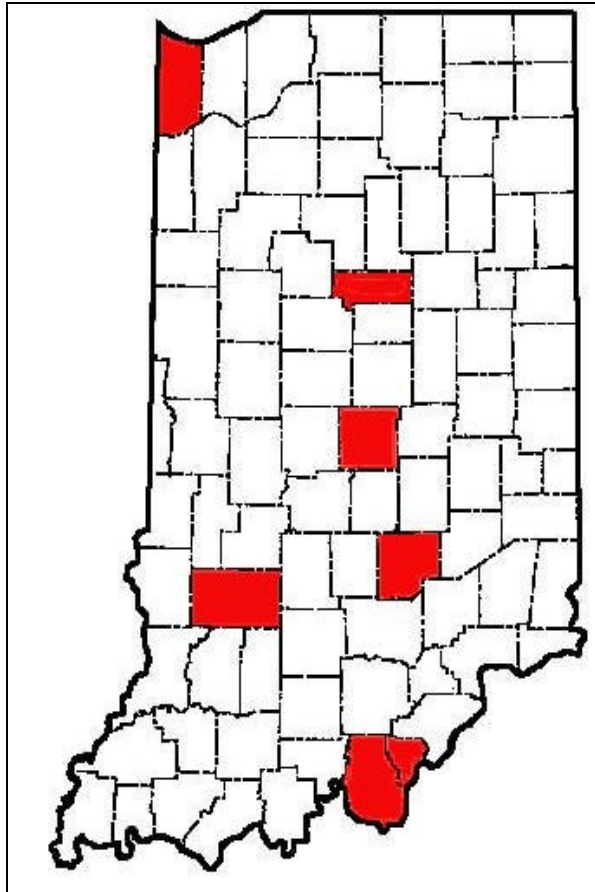
In order to answer these questions, the Social Service Provider Study (SSPS) convened a network of field researchers in seven Indiana counties. The field network design is an established research strategy that takes advantage of indigenous researchers to utilize their experience and expert knowledge to provide first-hand, in-depth analysis on the subject under investigation. Field network researchers, also known as field associates, in the SSPS were utilized to conduct interviews with executive directors of social service agencies that provide and/or coordinate services to current and former welfare recipients. In addition, field associates were responsible for writing a systematic case-study, or field report, providing additional context for understanding the survey results, while identifying unique and important dimensions of welfare reform's impact on social service providers within a particular geographic region.

Therefore, the SSPS was structured as a field network – comprising a core central staff and a team of indigenous field associates in the six-case study areas. The field associates and their respective case study areas are as follows:

Bartholomew:	Lynn Duggan, Assistant Professor, Labor Studies, Indiana University-Bloomington.
Greene:	Marylin Klotz, Ph.D. Candidate, Department of Political Science and the School of Public and Environmental Affairs, Indiana University-Bloomington.
Harrison/Floyd:	Sandra French, Associate Professor, Department of Sociology, Indiana University-South East.
Howard:	George Richards, Assistant Professor, School of Public and Environmental Affairs, Indiana University-Kokomo
Lake:	Karen Evans, Assistant Professor, School of Public and Environmental Affairs, Indiana University-North West
Marion:	Rebecca Van Voorhis, Associate Professor, School of Social Work, Indiana University-Purdue University-Indianapolis.

The seven Indiana counties, representing six case studies, targeted for study in the SSPS include: Marion (the county which contains Indianapolis, located in the center of the state); Howard (the county which contains Kokomo, located in north-central Indiana); Lake (the county which contains Gary, located in the north-west corner of the state); Bartholomew (the county which contains Columbus, located in south-central Indiana); Greene (a rural county in south-western Indiana), and the counties of Floyd and Harrison (a cluster of two southern rural counties to ensure an adequate number of rural social service providers). Figure 1 presents the geographic location of these counties within the state.

Figure 1: Targeted Counties



The selection of these counties was based on two factors. First, a range of urban, suburban, and rural counties was sought, so as to reflect possible differences in welfare reform's impact on local social service providers who operate within different geographic contexts. Second, the selection was influenced by the need to study counties that could be accessed by field associates who had prior knowledge of the social service landscape within the targeted area. As a result, each of the counties included in the study are located close to a campus of Indiana University.

The counties selected for investigation are fairly representative of the mix of communities in the state of Indiana (see Table 1). Marion and Lake are two of the most urban counties in the state – as measured by the density of population per square mile. As is typical in urban areas, these counties have larger African–American populations, slightly higher poverty rates, and lower home ownership rates compared to the state averages. In contrast, Howard

County is less dense and is best described as a suburban county with many links to the greater metropolitan Indianapolis area. The counties of Bartholomew, Greene, Floyd, and Harrison have population densities that are closer to the state's average, reflecting the presence of small cities and towns surrounded by rural areas. Despite these differences, these counties have similar age distributions and per capita income, and are fairly similar to the state averages for these two indicators.

Table 1: Selected Demographic and Socio-Economic Characteristics in the Targeted Counties and the State of Indiana, 1994

	Bartholomew	Floyd	Greene	Harrison	Howard	Lake	Marion	Indiana
Per capita income (\$)	\$19,984	\$18,628	\$15,238	\$15,718	\$19,268	\$17,918	\$21,555	\$18,336
Poverty (%)	7.2	9.6	10.4	9.0	9.6	13.3	12.7	9.8
Owner occupied units (%)	73.2	71.8	80.4	85.3	72.1	67.8	57.0	70.2
Net migration, 1980-90 (%)	-8.1	-0.2	-1.0	3.1	-13.1	-15.6	-4.5	-5.2
Population 0-17, yrs (%)	26.0	26.0	25.0	27.0	26.0	28.0	26.0	26.0
Population 65+ (%)	12.0	13.0	16.0	12.0	12.0	13.0	11.0	13.0
Black (%)	1.6	4.1	0.03	0.4	5.4	24.5	21.3	7.8
Population per square mile, 1990	157	435	56	62	276	957	2,011	155

Source: *The Indiana Factbook, 1994-95*. The percent of individuals below the federal poverty line are from the *U.S. Census Bureau Model-Based Income and Poverty Estimates, 1995*.

Table 2 presents trends in welfare receipt for the targeted counties in the Social Service Provider Study. These figures indicate that all of the selected counties have experienced substantial declines in TANF participation. These trends closely mirror the overall state declines. Within the targeted counties, the rate of decline has been greatest in the rural areas, specifically Greene and Floyd counties. While Lake County continues to have the highest rate of welfare participation in the state, Marion County's TANF participation has reached surprisingly low levels for a place that contains the state's largest city – Indianapolis. Despite these declines, the targeted seven counties contain 51 percent of the state's 1999 welfare case-load – compared to approximately 47 percent in 1995.

Table 2: Total Persons Receiving TANF in the Targeted Counties and the State of Indiana, 1995-1999

	Bartholomew	Floyd	Greene	Harrison	Howard	Lake	Marion	Indiana
1995	1,196 (1.6%)	2,553 (3.3%)	695 (1.8%)	672 (2.1%)	2,712 (2.7%)	38,870 (7.7%)	42,958 (5.0%)	187,538 (3.0%)
1996	933 (1.4%)	1,972 (2.6%)	439 (1.1%)	580 (1.8%)	1,895 (2.1%)	33,598 (6.5%)	33,169 (3.8%)	148,380 (2.4%)
1997	736 (0.9%)	1,527 (1.9%)	313 (0.8%)	514 (1.3%)	1,400 (1.4%)	27,577 (5.2%)	26,854 (2.9%)	120,094 (1.8%)
1998	544 (0.7%)	1,166 (1.4%)	235 (0.6%)	406 (1.0%)	1,129 (1.2%)	22,657 (4.3%)	21,559 (2.3%)	95,205 (1.4%)
1999	496 (0.6%)	1,063 (1.5%)	203 (0.6%)	303 (0.7%)	1,050 (1.2%)	20,165 (4.1%)	18,522 (2.2%)	81,729 (1.3%)

Source: Indiana Family and Social Service Administration, *Demographic Trend Reports, 1995-1999*.

Social Service Provider Study Data Sources

In each case-study area, field associates conducted structured interviews with directors (or executive staff) of social service agencies. Overall, 295 interviews were conducted. The survey's response rate was 86 percent.

The Social Service Provider Study data was collected through face-to-face interviews that were conducted between February and August 1999. The average length of the interviews was between sixty and ninety minutes. When respondents could not conduct a face-to-face interview, telephone interviews were permitted; however, only two interviews were conducted over the telephone. In general, interviews were conducted at the sampled organization in the respondent's office.

Interviews were conducted with executive directors or the person most responsible for the day-to-day operation of the organization. When this person was unavailable or deferred the interview to a subordinate, the interview was still conducted. Overall, 207 interviews were conducted with the organization's executive director, president, director, or the person occupying the chief executive position in the organization; 19 interviews were conducted with respondents who occupied a senior administrative post, such as an associate director or vice president; 32 interviews were conducted with respondents who occupied less senior posts, including a program director, general administrator, or legal counsel; 12 interviews were conducted with a minister or

pastor; and 25 interviews were conducted with direct service providers, including a counselor, therapist, or program coordinator.¹¹

Interviews were structured through the use of a questionnaire (see Appendix). The first half of the questionnaire contains closed-ended questions that are designed to record basic descriptive characteristics of the sampled organizations, including its financial characteristics and relationships, staffing patterns, and service activities. The second half of the questionnaire is largely open-ended, tapping respondents' perceptions of welfare reform, and documenting collaborative and innovative programs. Unless specified otherwise, respondents were instructed to use the establishment where the interview took place when answering questions that reference the organization or agency.

Selection of agencies was based on a modified (soft) quota snowball sampling technique. Organizations were identified through public documents, such as telephone books and United Way service directory listings. Agencies were also identified through the interview process. All respondents were asked to name at least ten social service agencies that they work with.

Potential respondents were screened to ensure that they met the following two criteria: (1) the organization provides or coordinates services for current or former welfare recipients; and (2) the organization operates within the targeted county area.

In order to ensure that the sample included a wide range of social service providers, organizations were selected by organizational type and activity. Five organizational types were identified and used in the selection of agencies to be interviewed. These include: (1) public or government organizations; (2) not-for-profit, non-religious organizations; (3) not-for-profit, religious organizations; (4) for-profit organizations; and (5) hybrid organizations. The hybrid category is a residual category used to describe those agencies that are a mixture of these organizational types; however, none were actually interviewed for this study.

Eight types of organizational activity were identified and used in the selection of agencies to be interviewed. These include: (1) counseling; (2) intermediary services for other social service providers; (3) transportation; (4) legal and civil rights; (5) housing; (6) food and health;

¹¹ Overall, the educational attainment of respondents is very high: 46 percent of the respondents had a master's degree and 29 percent had a four year college degree. Respondent's field of study while in school varied considerably. Administration and planning degrees represented the largest category, accounting for 21.9 percent of all respondents. Social work and psychology degrees were the next largest category, accounting for 21.7 percent of all respondents.

(7) childcare and youth services; and (8) workforce development and education. Since many organizations provide services across these various categories, field associates were instructed to ask potential respondents to identify the most important service area for the organization, and to use this response when screening organizations.

Within each case-study area, field associates were instructed to interview no more than five agencies within any one category of organizational type and primary service type. This quota would guarantee a relatively even sample by organizational type and activity. Each field associate was instructed to conduct at least 40 interviews. Since Marion and Lake counties have the largest populations among the targeted counties, and include large concentrations of current and former welfare recipients, the field associates in these two counties were instructed to conduct at least 60 interviews.

Field associates were allowed to exceed the quota of five respondents within any one category of organizational type and primary service type only when faced with one of two conditions. First, field associates could exceed the sampling quota if the quota would exclude an organization within the county that was considered to be a very important agency in serving current and former welfare recipients. Second, field associates could exceed the sampling quota if the quota would limit the total number of interviews within the targeted area. As a result, more interviews were conducted with not-for-profit, non-religious organizations that provide human services – specifically food and nutrition programs – than would have been expected had the sampling quota been fixed without these exceptions.

Table 3: Distribution of Cases by County and Organizational Type

	Non-Profit, Non-Religious	Non-Profit, Religious	For- Profit	Government	Total
Bartholomew	18	2	2	12	34
Greene	22	15	7	16	60
Harrison/Floyd	13	6	1	8	28
Howard	19	10	1	5	35
Lake	40	7	3	11	61
Marion	52	11	6	8	77
Total	164	51	20	60	295

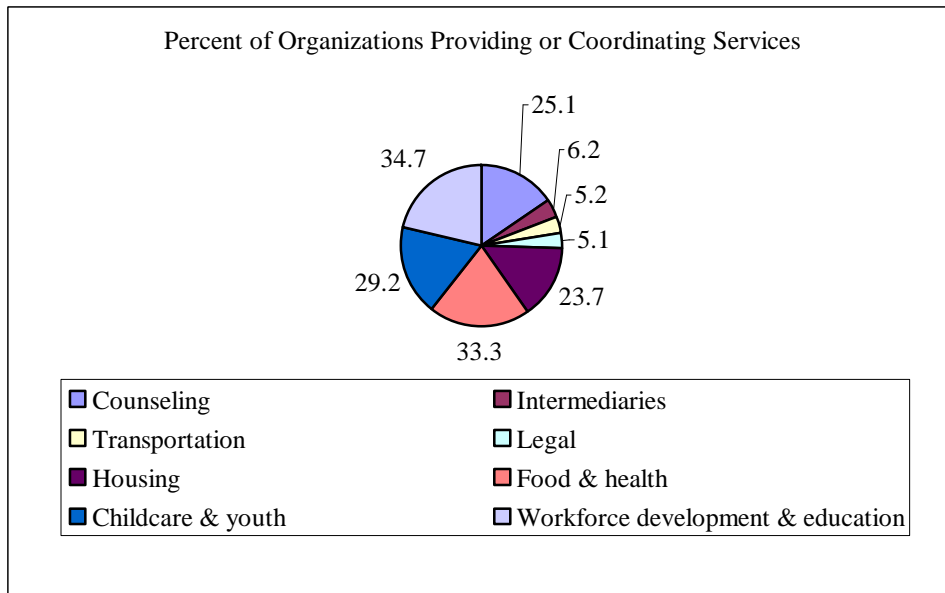
Source: *Social Service Provider Study, 1999.*

The distribution of cases by county and organizational type is presented in Table 3. Approximately 72 percent of the sample identified as not-for-profit organizations, and roughly

one quarter of these organizations are faith-based, religious organizations. Public organizations account for 17 percent of the entire sample. The remaining 20 cases are for-profit organizations.

The distribution of interviews across organizational service types is presented in Figure 2. According to this figure, 34.7 percent provide workforce development and training services; 25.1 percent provide counseling and health related services; 33.3 percent provide food and health services, including food pantries; 29.2 percent provide childcare and youth services, including day care centers; and 23.7 percent provide housing related services, including homeless shelters. A much smaller percentage of organizations in this sample provide legal or transportation services. Similarly, only 6.2 percent of the sample is an intermediary, coordinating the provision and funding of social services for other providers.

Figure 2: Distribution of Services



Source: *Social Service Provider Study, 1999.*

It is important to note that a substantial number of organizations in the sample frequently provide services in more than one area. As a result, these figures are not mutually exclusive, and organizations are counted in more than one category.

Social Service Provider Study Findings

Findings from the social service provider survey are presented in the following section. These results are organized around each of the primary research questions. In general, the

analysis provides comparisons on four dimensions (or stratifiers): organizational type, service type, county, and the county poverty rate as measured by the 1990 U.S. Census. For each set of comparisons, cases were sorted by these four dimensions. Throughout the analysis, service type categories are not mutually exclusive, and organizations are counted in more than one category. The aggregation of cases into high, medium, and low county poverty rates is as follows: Marion and Lake counties are high poverty; Howard, Harrison-Floyd, and Greene counties are medium poverty; and Bartholomew county is low poverty.

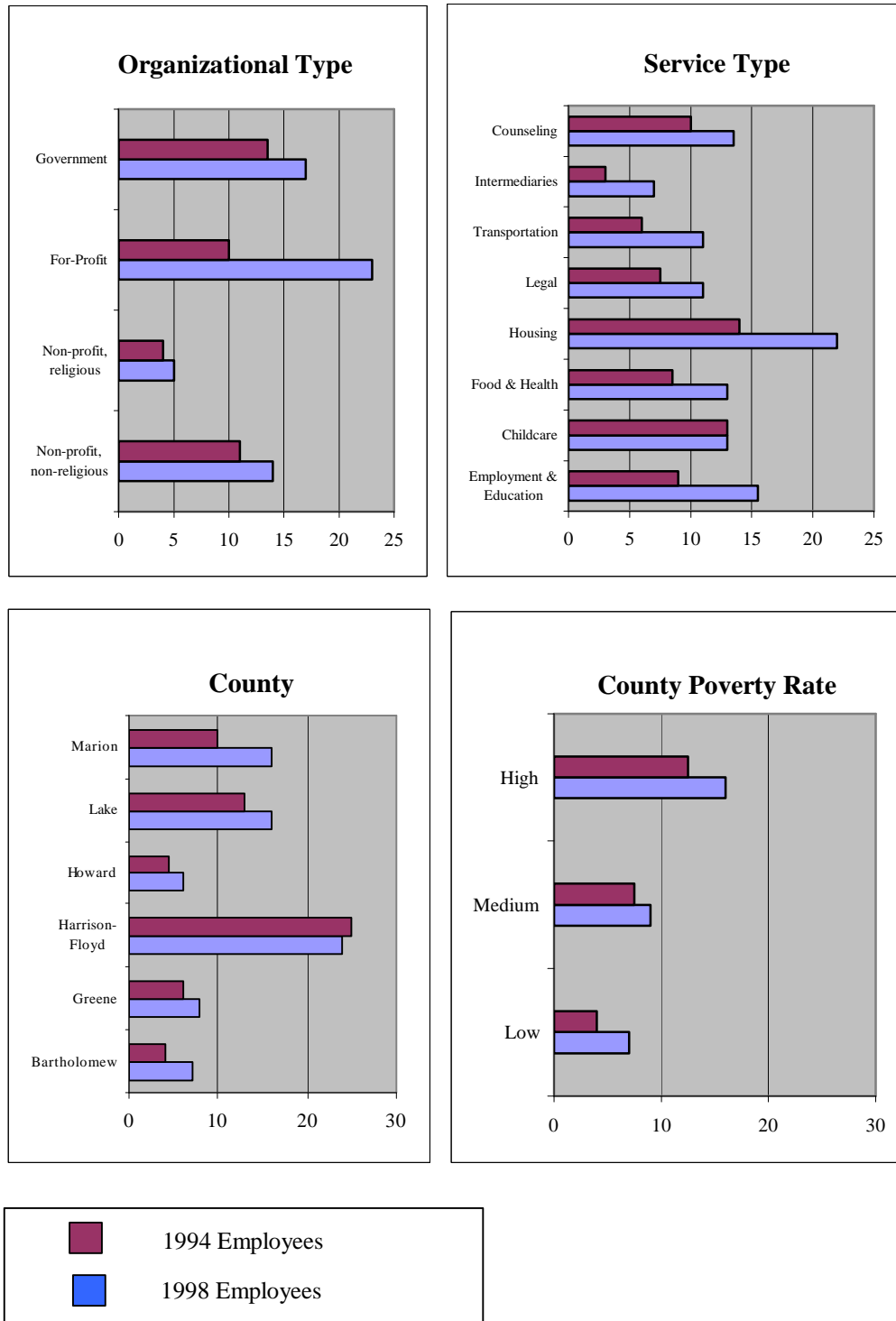
In general, the figures presented reflect averages (or means) for cases that have been sorted into categories of these four dimensions. However, since the sample contains many very large organizations, as well as many very small agencies, medians are sometimes used because they are less biased by high levels of variation.

The research findings reported here are exploratory in nature. In the absence of a pre-existing body of systematic empirical information about the impact of welfare reform on social service providers, the mission of the current study was to make progress towards the collection of systematic information on welfare reform and social service organizations, and was not intended to present findings that could be generalized beyond those organizations included in the study. Experienced researchers and seasoned practitioners collaborated on the study's design and implementation. The sample of 295 organizations in seven counties, which is balanced by geographic region, organizational type, and organizational activity, is not a random sample, and the findings should be considered within this context.

What is the existing capacity of social service agencies serving current and former welfare recipients? That is, what are the existing staffing patterns and funding streams in these organizations?

Since welfare reform began in Indiana, the general trend within social service organizations is the expansion of existing operations as reflected in the number of paid full- and part-time staff (see Figure 3). Between 1994 and 1998, agencies added staff and have expanded their capacity to address the needs of current and former welfare recipients. For the most part, this is true regardless of organizational type, agency's primary service area, county, or county poverty rate.

Figure 3: Median Number of Paid Employees in an Agency



The most substantial growth in staffing levels has occurred among for-profit social service organizations. In 1994, for-profits typically had ten paid employees. By 1998, this number had more than doubled. Fewer employees have been added to non-profit, non-religious organizations and government agencies, and faith-based social service providers have experienced even less staff growth.

Agencies that provide employment and education services have witnessed the largest amount of staff growth compared to other organizations providing different types of services. Before welfare reform, the typical employment related agency had approximately nine staff persons. Four years later, these organizations had added over six new staff members. A slightly smaller rate of staff growth has occurred among agencies providing housing services. Surprisingly, agencies providing childcare experienced no staff growth.

Agencies in Marion county have experienced the largest staff growth compared to the other counties in the study. All counties, except Harrison-Floyd, have experienced some increases in staff size, and Bartholomew county agencies report the largest percentage increase in staff size. Between 1994 and 1998, Bartholomew county agency staff levels grew by 57 percent.

In general, higher poverty counties have larger agencies – as measured by staff size. However, the rate of staff size growth since welfare reform has not been substantially greater in these high poverty areas. In fact, there seems to be an inverse relationship between the county poverty rate where an agency operates and the rate of change in staff growth since welfare reform began.

The educational attainment of staff within the sampled organizations is presented in Figure 4. Typically, social service organizations in this sample are staffed by persons without a master's degree. In most cases, 80 percent of staff in an average agency have no more than a four year college degree. Staff education levels tend to be highest in faith-based organizations, likely reflecting the tendency of parishioners to have graduate degrees. There also appears to be a linear relationship between the agency's county poverty rate and the percent of paid staff with a master's degree. That is, agencies serving counties with higher poverty rates have more educated staff. This largely reflects higher education levels among agency staff in Marion county.

The organizational capacity of the sampled social service organizations – as measured by an agency's annual budget for all services provided – before and after welfare reform are

presented in Figure 5. With the exception of organizations serving Howard county, agency budgets have increased since 1994 – not controlling for inflation – regardless of organizational type, agency service activity, county, and county poverty rate. The largest increases have occurred within for-profit organizations, as well as agencies that provide counseling and employment and training services. Agencies serving high poverty counties tend to have much larger budgets. Since welfare reform, the typical Marion county agency has seen a budget increase of 270 percent.

The distribution of federal, state, and local monies received by the sampled agencies in 1994 and 1998 are presented in Figures 6 and 7.¹² Since welfare reform, there has been a substantial shift in support to federal sources, while the share of funds from state and local sources have either remained unchanged or declined as a percentage of total funds received. That is, local social service agencies receive a greater percentage of funds from federal sources in 1998 than they did in 1994. At the same time, the percentage share of state and local support has remained unchanged. This is particularly true among for-profit providers. Specifically, in 1994, the average for-profit organization received 25.4 percent of its funds from federal sources. By 1998, the average for-profit agency received 57.9 percent of its funds from federal sources. In contrast, government service providers have experienced a substantial decline in federal support since welfare reform. In 1994, the average government agency received 70 percent of its funding from federal sources. By 1998, this number had declined to 44.9 percent.

The shift to social service agencies' increased dependence on federal support has been most acute among agencies that operate employment and training services, childcare, and housing programs. For example, in 1994, agencies that administer employment and training programs received 14 percent of their operating support from federal support and, by 1998, this number increased to 31 percent. A similar pattern also exists for agencies providing childcare, where the dependence on federal support increased from 9.3 percent in 1994 to 18.2 percent in 1998. Agencies providing housing services have experienced a more modest shift towards federal sources – from 28.6 percent in 1994 to 42 percent in 1998.

¹² The percentage of monies that an agency receives from a given sources are calculated as follows: grants + contributions/total operating expenses. It is important to note that the percentage of funds from federal, state, and local government sources frequently does not equal 100 percent, since many organizations rely on other sources of income, including business related income and philanthropic grants. Because of missing and contradictory data, percent of federal, state, and local money for intermediaries in 1994 could not be calculated.

Figure 4: Percent of Paid Staff with a Master's Degree or Higher, 1998

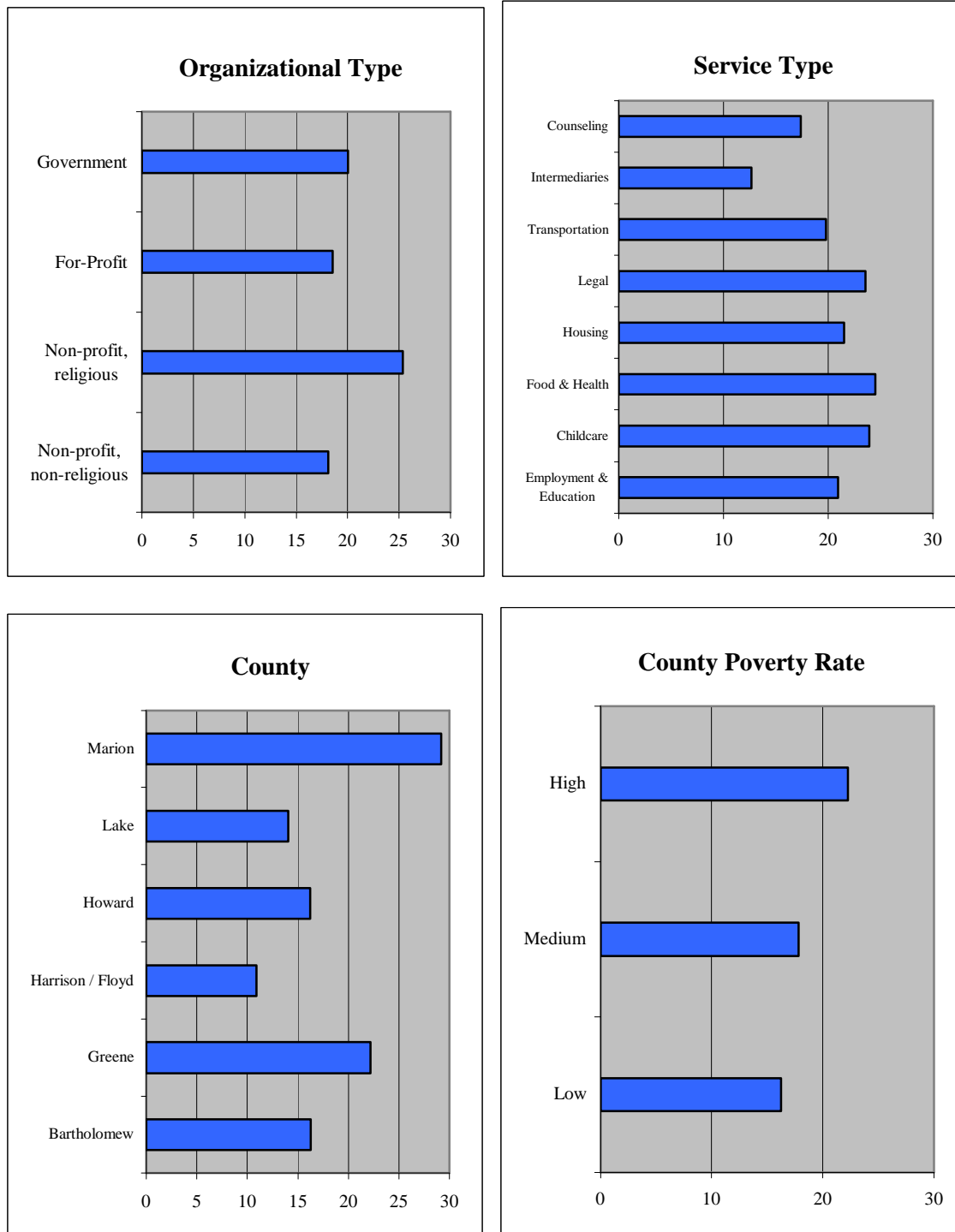


Figure 5: Median Annual Budget of an Agency (\$ millions)

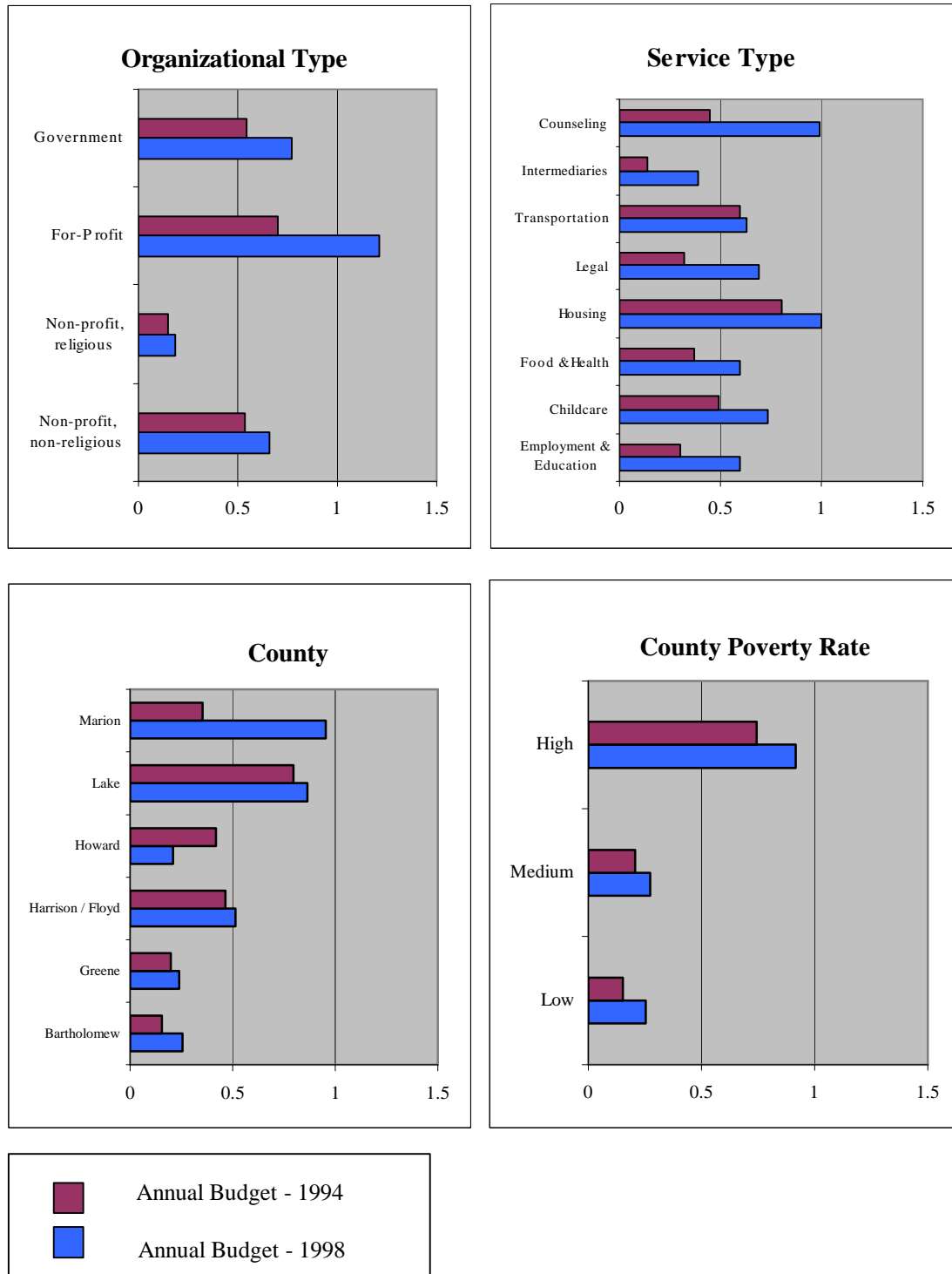


Figure 6: Percent Federal, State, and Local Government Monies to Agency's Total Budget, 1994

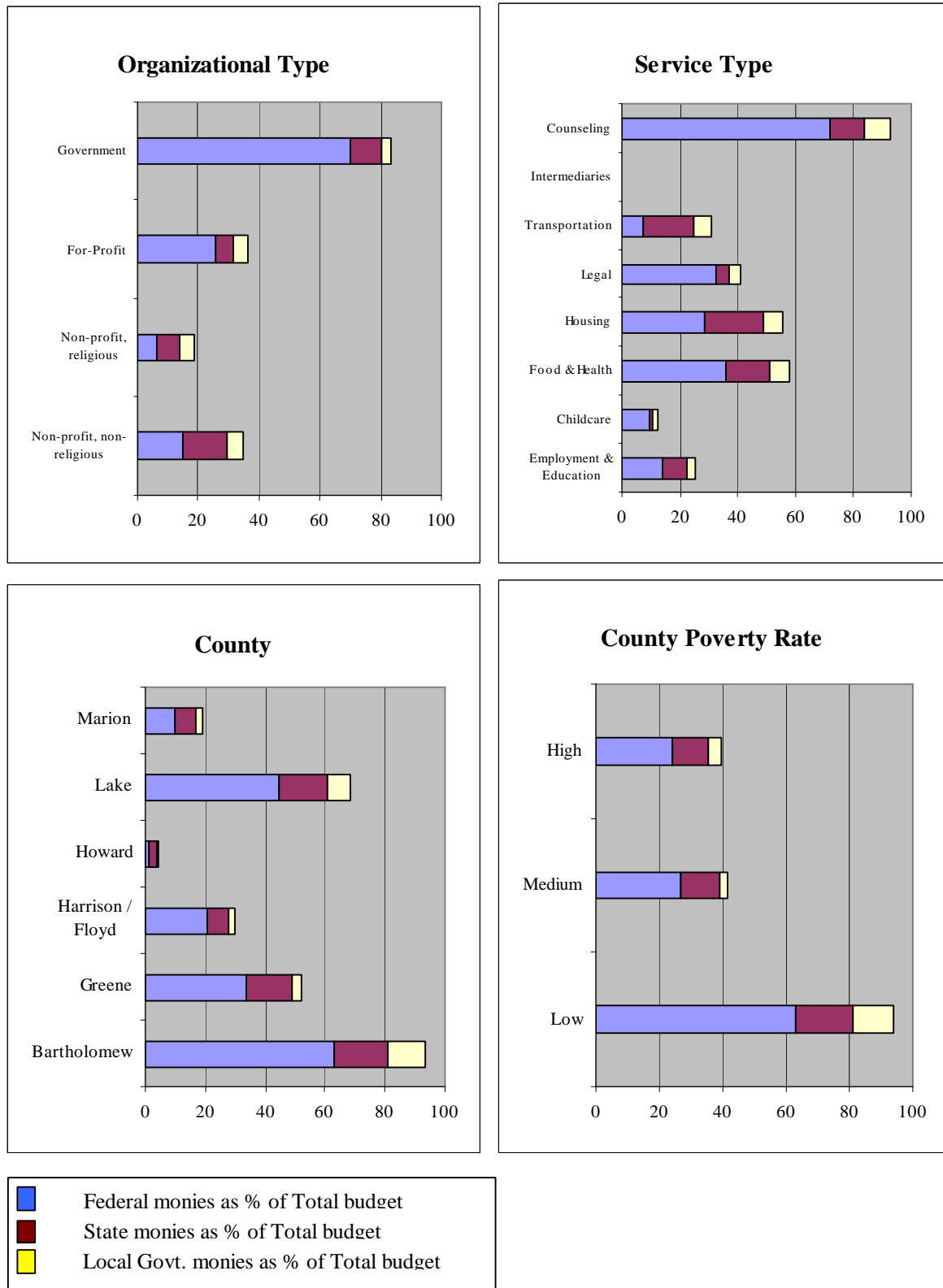
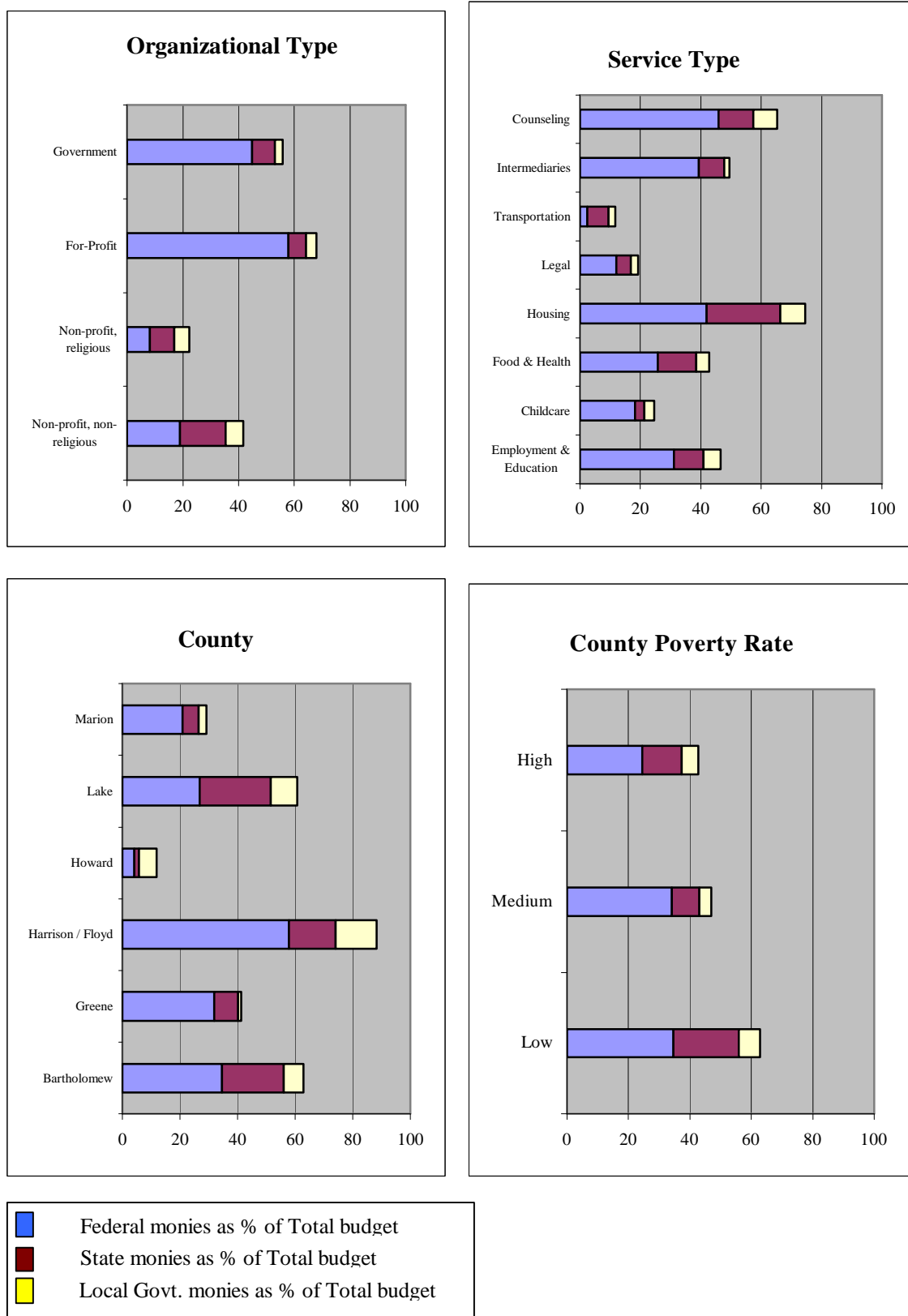


Figure 7: Percent of Federal, State and Local Government Monies to Agency's Total Budget, 1998



In contrast, the percent of federal funds within an agency's operating budget has declined substantially among those organizations providing counseling services, food and health programs, and legal services. In 1998, agencies providing counseling services received 45.8 percent of their operating budget from federal sources – down from 71.7 percent in 1994. Similarly, in 1998, agencies providing food and health services received 25.8 percent of their operating budget from federal sources – down from 36.1 percent in 1994.

As for the percentage share of state and local funds, very little change has occurred across the various service areas. The only substantial change has occurred within organizations providing transportation services. In 1998, these organizations received 7.2 percent of their operating budget from state sources – down from 17.4 percent in 1994.

Since welfare reform, several changes have occurred in the distribution of federal, state, and local funds by county. Most significantly, there has been a substantial decline in the federal budget share for organizations in Lake and Bartholomew counties, while the exact opposite has occurred in Marion and Harrison-Floyd counties. The most significant findings are:

- ?? In 1998, Lake county agencies received 26.7 percent of their operating budget from federal sources – down from 44.6 percent in 1994.
- ?? In 1998, Bartholomew county agencies received 34.5 percent of their operating budget from federal sources – down from 63.3 percent in 1994.
- ?? In 1998, Marion county (as well as Harrison-Floyd) agencies received 20.1 percent from federal sources – up from 9.9 percent in 1994.
- ?? Between 1994 and 1998, Greene county agencies saw a decline in the proportion of state funds from 15.3 percent to 8.4 percent.
- ?? Harrison-Floyd county agencies have seen an increase in state funds since welfare reform – from 7.2 percent in 1994 to 16.3 percent in 1998. At the same time, agencies in these counties have seen an increase in the share of local government revenue – from 1.8 percent in 1994 to 14.2 percent in 1998.
- ?? Lake county agencies have seen an increase in state funds since welfare reform – from 16.2 percent in 1994 to 24.7 percent in 1998.

These shifts in dependence on federal, state, and local funds have also accompanied a growing perception among directors of social service agencies that the funding for social services targeted towards current and former welfare recipients has become too complex. For

example, according to a director of a employment and training agency in Marion county, “ They [social service organizations] can’t keep up with all the changing program criteria and sources of government funding. Service providers fall behind or don’t know how to position themselves to get government funding to get people into the workforce. There are too many [funding] streams to follow.”

If we assume that this observation is accurate, and the growing complexity of program criteria and the number of funding sources for programs designed to help current and former welfare recipients has created confusion among many social service program directors and staff, we can only presume that clients are even more bewildered. Taken together, this level of confusion may create lower levels of program participation, since providers and potential clients cannot easily determine eligibility criteria for a specific program. Moreover, this level of confusion probably increases the likelihood that clients are given inaccurate and/or conflicting information about program eligibility and guidelines. This environment may explain why thousands of eligible households in Indiana are eligible for food stamps but do not enroll in this program.

In sum, since the implementation of welfare reform in Indiana, agencies serving current and former welfare recipients in this sample have increased their capacity by adding staff and expanding operating budgets. During this time, these agencies have become more dependent on federal funding sources to cover operating expenses, including direct services. This shift has been the most pronounced among organizations providing employment and training services, as well as childcare, and housing.

What are the impacts of welfare reform on changes in service demand and changes in the services provided?

Since Indiana’s implementation of welfare reform in 1995, social service organizations report substantial increases in the demand for service. Roughly three out of four agencies report being unable to meet service demands since welfare reform (not shown in tables). Over two thirds (or 66.8 percent) of the organizations sampled report substantial or moderate increases (see Table 4). While only 10 percent reported decreased service demands, 23.1 percent experienced no change.

Table 4: Change in Demand for Services Since Welfare Reform

	Percent
Substantially increased	29.4
Moderately increased	37.4
Did not change	23.1
Moderately decreased	6.3
Substantially decreased	3.8
N	286

Source: *Social Service Provider Study, 1999.*

In general, these patterns hold for social service agencies regardless of organizational type, service type, county served, or county poverty rate (See Figure 8). However, a few differences do exist along these dimensions. They are as follows:

- ?? Secular non-profit providers report the largest increases in service demand. Roughly three out of four non-profit, non-religious organizations report increases in the demand for service by current and former recipients.
- ?? Government agencies more frequently report that no change has occurred in the demand for service since Indiana's welfare reform in 1995.
- ?? Over 46 percent of organizations providing transportation services report substantial increases in the demand for services.

These increases in service demand have been accompanied by a change in the types of clients receiving service. For example, a director of a neighborhood center in Marion county reports that her center has had a significant increase in the number of clients served who require intensive case management. Her staff must work with welfare clients over a much longer time to address their multiple needs and build the skills to manage on their own. Another neighborhood center director from Marion county emphasized the growing difficulty of serving the population that remains on welfare. She reported that they are more difficult to reach, employ, and keep employed. Similarly, the director of a faith-based organization reported that their clients are homeless, unemployed, likely to have drug histories, and they can't make it under the current welfare rules. These clients require a very concentrated effort, and her organization has a very difficult time "pulling more rabbits out of the hat" in order to address their needs. Similar sentiments were expressed by a different non-profit, religious agency that has a long history

serving pregnant women. According to this one director, “welfare reform wants a quick fix for complex long-standing problems.”

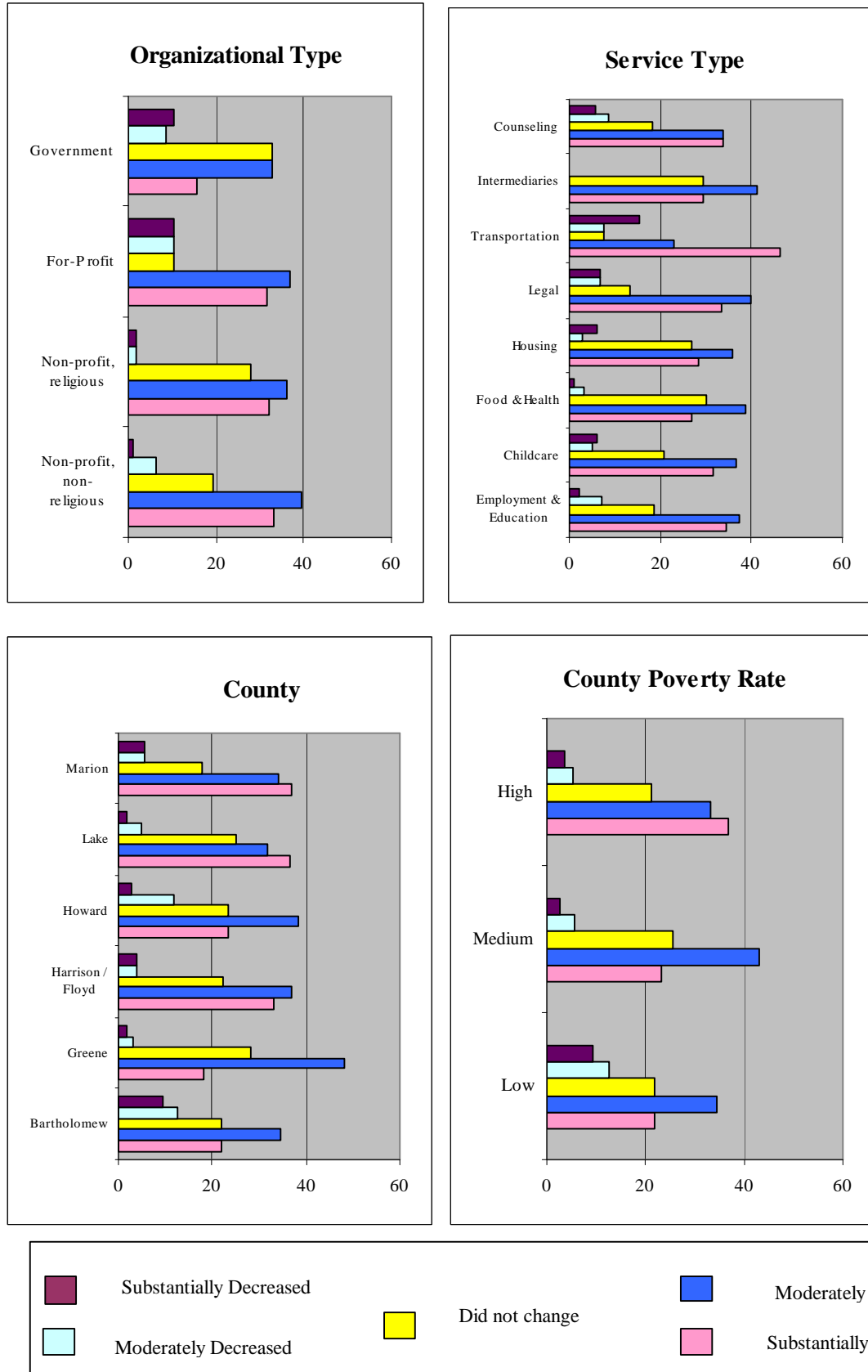
The need for a “quick fix” is determined, in part, by constraints on funding that may only provide services for a limited time period. It is also the product of sanctioning policy that may reduce and/or terminate benefits for client non-compliance. While providers and clients can appeal these sanctions, executive directors cannot easily determine the conditions under which an appeal may or may not be successful. As a result, there is a presumption among many social service agency directors that the appeals process is not a viable option for attempting to extend benefits and/or modify programmatic rules, tailoring them to the specific needs of clients.

Overall, many organizations that are serving welfare recipients commented that their clients have increasingly complex, long-standing barriers that their staff are supposed to fix in three months. These agency directors report that more welfare clients have developmental or physical disabilities, emotional problems, drug and alcohol addiction, as well as severe learning problems. One director in Marion county concluded that it is impossible for service providers to fix such complex, entrenched problems quickly.

As noted above, the distribution of services among the sampled organizations is as follows: 34.7 percent provide workforce development and training services; 25.1 percent provide counseling and health related services; 33.3 percent provide food and health services, including food pantries; 29.2 percent provide childcare and youth services, including day care centers; 23.7 percent provide housing related services, including homeless shelters; 6.2 percent are intermediaries, coordinating the provision and funding of social services for other providers; 5.2 percent provide transportation services; and 5.1 percent provide legal services.

To measure the extent of change in services provided, respondents were asked a series of questions about changes in service delivery since Indiana’s welfare reform in 1995. Specifically, respondents were asked whether their agency had eliminated services or programs, and whether their agency had tightened eligibility requirements for service. Responses from these questions are presented in Figures 9 and 10.

Figure 8: Percent of Agencies with Demand Changes Since Welfare Reform



Since 1995, 19.3 percent of the organizations in the sample eliminated a specific service or program (not shown in the figures). For-profit agencies report the highest level of service/program elimination, whereas faith-based non-profits report the lowest level of program termination. Agencies providing housing, counseling, and transportation services are the most likely to report eliminating services. One in five employment and training agencies report service/program elimination. There is an linear relationship between an agency's county poverty rate and the likelihood of service/program termination: higher poverty rates translate into more service and program cutbacks. This is troubling since these high poverty counties contain higher levels of service needs.

The tightening of eligibility requirements for a specific service or program follows a similar pattern to the elimination of services or programs. Approximately the same percentage of organizations (21.8 percent) have tightened eligibility requirements for a specific service or program. For-profit firms and government agencies are more likely to report the tightening of eligibility requirements, compared to non-profit agencies. Again, employment and training programs have ratcheted-up eligibility criteria more than other types of service providers; however, there is not much variation across service types, except for intermediaries, by this indicator. Similarly, there is not much variation in eligibility criteria changes and county or county poverty rate, even though there is a linear relationship between an agency's county poverty rate and the tightening of eligibility requirements.

Figure 9: Percent of Agencies that Eliminated Services or Programs Since Indiana's Welfare Reform in 1995

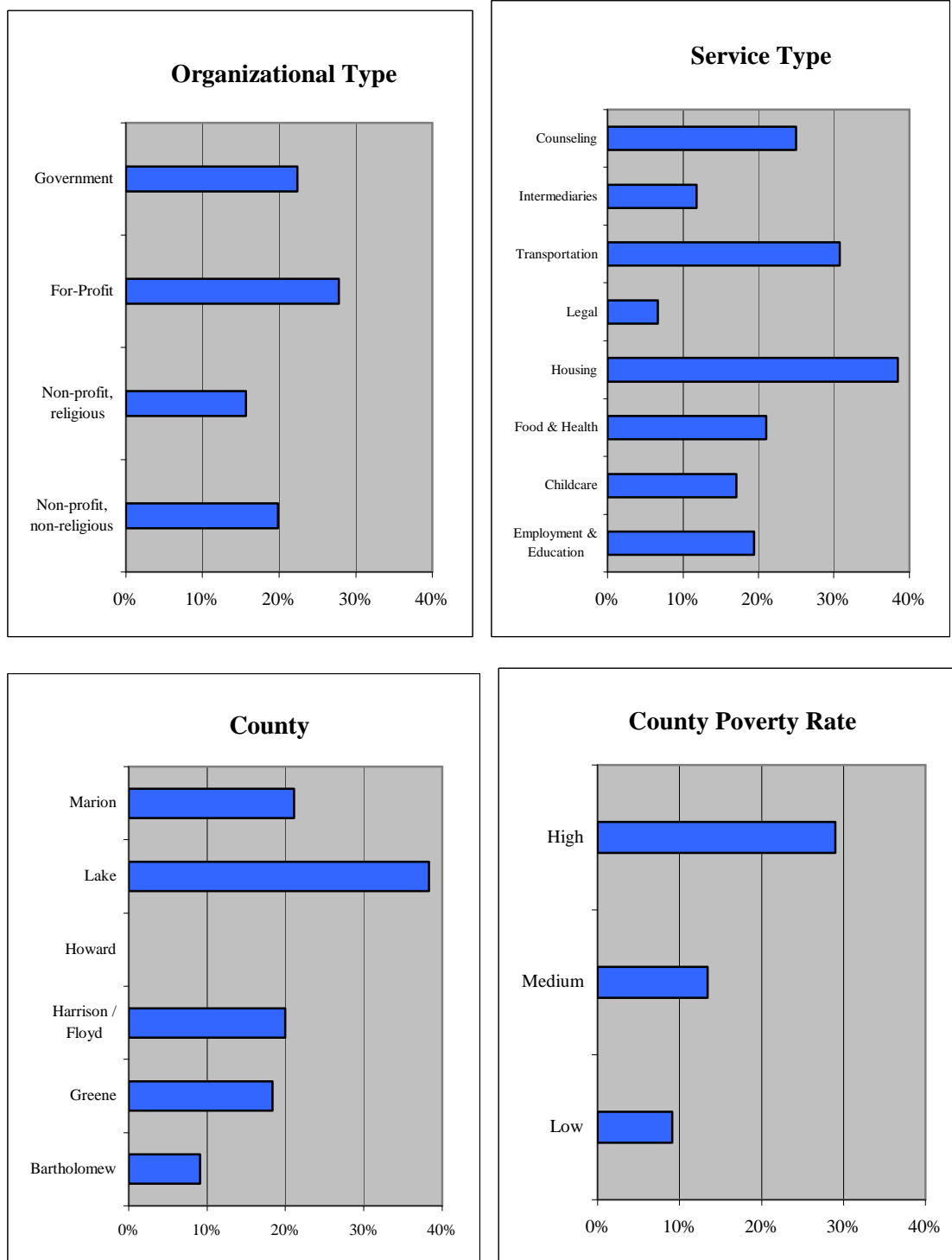
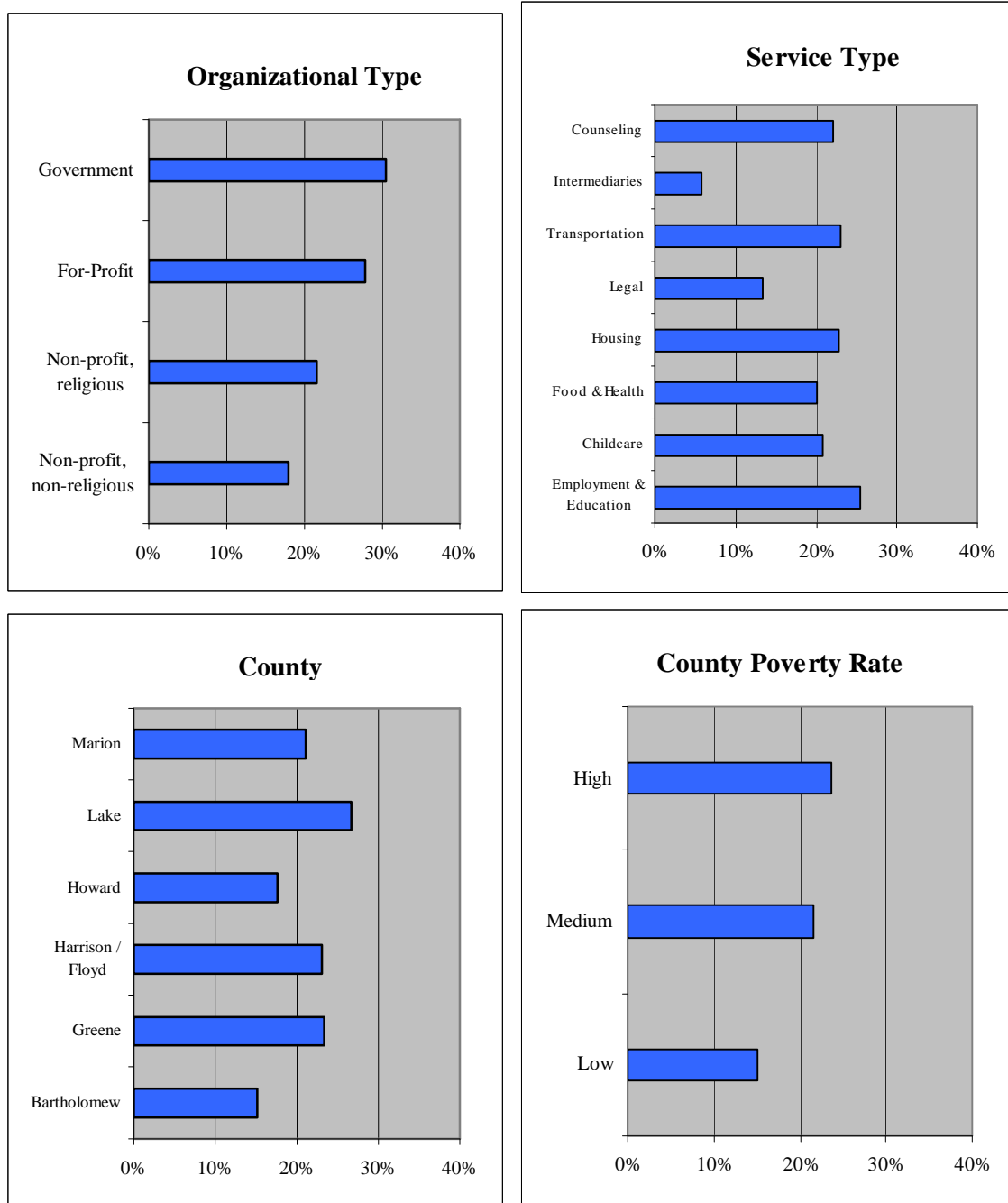


Figure 10: Percent of Agencies that Tightened Eligibility Requirements for Service Since Indiana's Welfare Reform in 1995



These changes in service elimination and eligibility are consistent with changes in level of service provided, as well as in the number of persons served. It appears that those organizations that have either eliminated service and/or tightened eligibility have also reduced the level of service and the number of persons served. Additional examples of changes in services provided since welfare reform are as follows:

- ?? In Greene county, a number of faith-based, social service organizations have instituted eligibility criteria in order to receive in-kind assistance. Specifically, one of the ministerial associations in the county created a system so that clients seeking assistance must have a voucher from the Township Trustee or another government agency indicating the client's need. The churches believe that these vouchers will reduce the likelihood of "double-dipping" – where families would go from church to church requesting assistance, and taking advantage of the charity and receiving more assistance than they deserve. This initiative began in response to increasing demand for food services following welfare reform.
- ?? Since welfare reform, a church in Greene county has instituted a \$50 per person, per visit cap on assistance in order to minimize the amount of assistance provided to individuals who are not members of the congregation.
- ?? In Bartholomew county, Easter Seals has responded to increased demands for health-related assistance by people with physical disabilities by restricting eligibility through a more detailed screening process; however, these increases in demand appear unrelated to welfare reform and are more likely the result of changes in the Medicaid program, local economic conditions, and changes in the composition of the elderly population.
- ?? In Lake county, many respondents acknowledged that eligibility determination had become more formalized since 1995, and that verification of need and eligibility is now more common than in the past.

While these (and other) organizations have tightened eligibility requirements and/or eliminated services, the vast majority of social service providers report no changes in either indicator. That is, since welfare reform, the typical social service provider has not tightened eligibility requirements, eliminated services, reduced the level of service, or reduced the number of people served.

Table 5: Percentage of Agencies That Tightened Eligibility Requirements by Change in Demand For Services Since Indiana's Welfare Reform in 1995

Change in Demand for Services	Did Not Tighten Eligibility	Tightened Eligibility
Substantially Increased	74.7	25.3
Moderately Increased	82.9	17.1
Did Not Change	77.8	22.2
Moderately Decreased	83.3	16.7
Substantially Decreased	63.6	36.4

Source: *Social Service Provider Survey, 1999*.

Note: Pearson Chi-Square 3.584

It is important to note that the tightening of eligibility requirements does not appear related to changes in an agency's demand for services. Table 5 presents the percentage of agencies that tightened eligibility requirements by the change in demand for services since Indiana's welfare reform in 1995. These figures indicate that 25.3 percent of agencies that report substantial increases in the demand for services tightened eligibility requirements, while 36.4 percent of agencies that report substantial decreases in demand for services tightened eligibility requirements. Apparently, changes in eligibility criteria are being driven by factors other than increasing demand.

What kinds of employment services do these organizations provide directly and what kind of employment services do these organizations offer through referrals?

The types of employment services offered by organizations in this sample are presented in Table 6. Over 90 percent of these agencies either provide job search assistance or make referrals for this type of service. A slightly smaller number of agencies operate or make referrals for employment training and education services (approximately 85 percent). A very small percentage of agencies have discontinued their employment services. Less than 1 percent of the organizations in the sample discontinued job search assistance, while 1.7 percent of the agencies terminated an employment training and education program. However, a very small percentage of agencies have plans to offer these types of service in the future. Only 1 percent of agencies plan to offer job search assistance in the future, while 3.4 percent plan to develop employment training and education programs.

Table 6: Percent of Agencies Offering Employment and Training Services

Service	Run by Agency	Makes Referrals	Discontinued Service	Plans to Offer in the Future
Job Search Assistance	46.8	44.4	0.7	1.0
Employment Training & Education	41.3	44.5	1.7	3.4

Source: *Social Service Provider Survey, 1999.*

Note: Percentages across each row do not add up to 100 percent since each category is not mutually exclusive.

Table 7 presents the types of employment related services offered by agencies in this sample. These include services that facilitate and support work among current and former welfare recipients, such as childcare, health services, and drug and alcohol treatment, among others. These figures illustrate that there do not appear to be any substantial service gaps. That is, between 80 and 90 percent of these agencies either provide these services directly or make referrals. While making referrals is the preferred method for delivering many of these employment related services, a substantial number of agencies provide these services directly.

Overall, there is considerable stability in the provision of employment related services within these agencies. That is, very few agencies report that they have discontinued any of these employment related services or that they plan to offer these services in the future. The highest rate for discontinuing services is for childcare and after-school programs, where 2.1 percent of the agencies report discontinuing these services. The areas most likely to witness an expansion in service provision include childcare, after school program, tutoring and literacy programs, and housing for the homeless. Specifically, 5.5 percent of the sample plans to offer childcare in the near future, 3.8 percent of the sample plans to offer after school programs and/or tutoring and literacy programs in the near future, and 2.7 percent of the sample plans to offer housing for the homeless in the near future.

Given the existing need to move welfare recipients into the labor force, why are more agencies not developing plans to offer employment programs? This question is particularly relevant in Lake and Marion counties where the welfare caseloads remain large. It appears that agencies are reluctant to develop or expand employment and training programs because of the administrative rules governing the funding of these initiatives.

Table 7: Percent of Agencies Offering Employment Related Services

Service	Run by Agency	Makes Referrals	Discontinued Service	Plans to Offer in the Future
Childcare Services	31.6	49.1	2.1	5.5
After-School Programs	30.2	36.1	2.1	3.8
Tutoring & Literacy Programs	34.0	48.8	1.7	3.8
Substance Abuse Prevention-Treatment	30.9	58.2	1.7	2.1
Free or Subsidized Transportation Services	42.8	40.5	1.4	2.4
Mental Health Treatment	32.0	60.9	0.7	1.7
Clothing Assistance	40.4	52.7	2.1	1.0
Food Assistance	40.5	56.5	1.0	1.7
Housing for the Homeless	23.1	57.4	1.0	2.7
Utility Assistance	27.6	58.8	1.0	0.3
Medical Treatment	25.2	63.6	0.3	1.4

Source: *Social Service Provider Survey, 1999.*

Note: Percentages across each row do not add up to 100 percent since each category is not mutually exclusive.

Some Marion county respondents reported that they reduced the amount of employment and training services for current and former welfare recipients because their training program takes longer than government funding will allow. This was the case for Training Inc., a long-standing organization that trains welfare recipients in office skills, who lost training contracts because their program takes more time than government funding allows.

Another barrier to entry (or expansion) for many agencies in employment and training services is the federal 70/30 percent rule. This requirement states that 70 percent of federal training monies must be funneled to those with the most employment barriers. While directors acknowledge that policy makers may have been well intentioned in adopting the 70/30 rule, many feel it is unworkable. Simply put, many organizations repeatedly cited examples of welfare recipients who must be turned away despite having many barriers to employment, such as having been a long-term welfare recipient, fifth grade reading skills, and/or having several children, but are ineligible for federally funded employment and training programs because s/he has a high school diploma. One director in Marion county claimed that only 8 percent of welfare recipients meet the eligibility requirements for the 70 percent funding rule. As a result, some agencies are not interested in expanding or adopting new employment based programs.

In spite of these barriers, other organizations have added employment and training for current and former welfare recipients. For example, ten years ago Goodwill Industries in Marion county only served disabled clients. By 1998, disabled clients constituted only one-third of their clients because they have added several programs to prepare and place welfare recipients in the workforce. Furthermore, Goodwill's caseload has grown tremendously since welfare reform began in 1995. In 1998, Goodwill placed over 3,500 people in jobs – up from 516 placements in 1994.

Similarly, since 1995, an Indianapolis multi-service center has shifted its service delivery focus to assist clients to enter the workforce. They had the first Marion county demonstration project on family self-sufficiency and have continued to focus on assisting clients to upgrade skills and get jobs. According to their director, “we’re a lot more focused on employment.” This is the case for many of the thirteen social service agencies serving Indianapolis who have become much more involved in employment programs as a result of welfare reform. Because employment programs had not historically been part of their mission and services, some directors report that many staff members had to be educated about the need to offer employment programs to assist neighborhood residents move from welfare to work.

The shift towards work first is also reflected in contractual changes within Indiana's Division of Workforce Development (DWD). While DWD has a long history of subcontracting for employment and training services that target welfare recipients, these contracts have shifted toward funding job retention, as opposed to the delivery of training services. In recognition of

the need for long-term services, DWD's 1999 contracts have switched back to paying providers for services delivered.

In addition, some social service agencies have begun to utilize staff mentoring and job coaches to help welfare recipients learn what to do when workers have unexpected life events, such as a family illness. These mentors and coaches work one-on-one with clients to help them learn and conform to the behavioral expectations of the work world.

Another way to measure the types of employment services offered to current and former welfare recipients is to look at social service agencies as a source of employment for these recipients. In 1994, 9.1 percent of an agency's staff was a current or former welfare recipient. By 1998, this number had increased slightly to 9.8 percent. Overall, welfare reform has not dramatically increased the employment of welfare recipients as employees of social service agencies. In general, there is not much variation across agency type or service type on this indicator. However, there was a dramatic increase in the hiring of welfare recipients in Marion County. In 1998, 9.1 percent of an agency's staff was a current or former welfare recipient, up from 5.3 in 1994

How well are service providers delivering employment and training programs and related services to Indiana's welfare caseload?

In order to answer this question, respondents were asked to rank their organization's performance. Rankings were obtained for an organization's ability to deliver and coordinate social services. In addition, rankings were obtained for an organization's ability to improve clients' life skills, jobs skills, job placement, and job retention and advancement. These rankings reflect the perceptions of executive directors as they relate to the performance of their social service agency. While these perceptions do not represent independent measures of agency performance, they do capture the extent to which agencies believe they are doing a good job.

Table 8 presents these performance (self) rankings for all respondents. These figures demonstrate that agencies' perceive service delivery and coordination to be their strengths, scoring 8.37 and 8.20 (out of 10), respectfully. Performance rankings for improving clients' life skills are somewhat lower at 6.95. However, performance rankings for employment related services are consistently scored lower. Specifically, rankings for improving clients' job skills, job placement, and job retention and advancement are all below 6 (out of 10). Surprisingly,

agencies scored job placement as their weakest area. While these rankings do not vary by service type, county, or county poverty rate, for-profit social service providers consistently rank their performance higher on all six dimensions compared to other types of organizations.

Table 8: Average Agency Performance Rankings (standard deviations in parentheses)

Service Area	Ranking
Service delivery	8.37 (1.42)
Service coordination	8.20 (1.55)
Improve life skills	6.95 (2.32)
Improve job skills	5.83 (3.03)
Job retention and advancement	5.30 (3.0)
Job placement	5.23 (3.36)

Source: *Social Service Provider Survey, 1999.*

It is important to note that there is substantial variation in several of these performance rankings, as reflected by their standard deviations, especially for the measures of employment related activity. There are several ways to interpret this variation; however, it likely means that respondents answered these questions honestly, since there are a substantial number of cases who ranked their organizations low on the employment related dimensions.

What are the barriers that social service organizations face in moving clients from welfare to work?

Despite substantial reductions in welfare receipt caseloads, social service providers report substantial barriers in moving clients from welfare to work. The sources of these barriers are multi-dimensional and often involve several obstacles that, when combined, produce very real challenges to meeting the work-first goals of welfare reform. These barriers can be categorized into obstacles rooted in client characteristics, administrative funding constraints, confusion over programmatic rules and regulations, and agency-level frustrations with the work-first approach.

The most frequent barrier cited by executive directors is the preponderance of developmental, physical, and psychological disabilities among those individuals still on welfare.

These disabilities are thought to be wide-spread within the existing case-load and many directors question their employability. That is, the perception is that welfare receipt has been masking underlying client disabilities that can only be overcome through intensive case-management, if they can be overcome at all. Moreover, since these disabilities are so deeply rooted, executive directors doubt whether they can be addressed within the existing two-year Indiana welfare time limit or the five-year lifetime federal time limit. Many executive directors expressed their concern that it is unrealistic to believe that many remaining welfare recipients will ever be able to maintain stable employment even with life-long support services.

Respondents, particularly in Marion county, expressed their belief that those remaining on welfare face a long-term crisis. Caseworkers are working with welfare clients over a much longer time period to address their multiple needs and build the skills to manage on their own. In general, those on welfare are more difficult to reach, employ, and keep employed. Moreover, many welfare clients are homeless, unemployed, likely to have drug and alcohol histories, and have exhausted all available community resources, including Township Trustees, and they still can't make it. Yet public policy has determined that these problems can be fixed in three months. As one director noted, "welfare reform wants a quick fix for complex long-standing problems."

This struggle is particularly acute within the context of federal and state childcare subsidies for current and former welfare recipients. In general, social service providers believe that the time limits on subsidized childcare are too short given the multiple barriers faced by many current welfare recipients. Social service agency directors report difficulty in convincing recipients to make a substantial human capital investment to overcome their multiple barriers when the public subsidy for childcare will only cover these costs for a time-period that will not allow many recipients still on welfare to become job ready.

Executive directors also emphasized funding constraints as another barrier to moving welfare recipients into the workforce. Some executive directors expressed their concern that funding sources rarely cover general administrative costs, and are frequently linked to units of service provided and/or the ability for clients to retain jobs. Given the need for more intensive services with those recipients still receiving welfare, it is becoming increasingly difficult to offer effective services without funding streams that will allow an organization to pay for overhead. In addition, there is a widespread perception that funding levels are fixed over time, yet the

demand for services, especially in-depth, extended interventions, keeps growing. Simply put, executive directors feel that they are being asked to do more with less. While many believe in creating and delivering the most efficient services, there is a growing sense that increasing efficiency will not make up for the gap between funds available for services and the funds needed to provide effective, worthwhile interventions.

In addition, executive directors of social service agencies often expressed concern that welfare reform has accompanied an expansion in the number and type of funding streams from federal, state, and local sources. These multiple funding sources create very real challenges for social service agencies that depend on these monies to provide services to current and former welfare recipients. As noted above, many of these new funding streams will not pay for agency-level administrative (or overhead) costs. However, the administrative costs for tracking new (and changing) funding sources, applying for resources controlled by different government agencies each requiring a different set of funding application criteria has made it increasingly difficult and expensive for individual social service agencies, particularly those that do not have a close-fit to the changing funding criteria, to secure resources to provide services to current and former welfare recipients. Therefore, social service agencies are faced with the added costs of adapting to a changing funding environment, while also trying to provide more costly, in-depth services to remaining welfare recipients who face more substantial barriers to employment.

The expansion and multiplication of funding streams has also generated a great deal of agency-level uncertainty and/or confusion. Frequently, agencies design services around funding parameters; however, as these funding parameters change, agencies are often in the undesirable position of having to adapt services so as to remain eligible for resources even if changes in the services provided are not perceived to be in the best interest of clients. Moreover, as each funding source becomes more particularistic in its requirements for services provided, reporting guidelines, and administrative rules, social service agencies face added costs to track and respond to changes in these multiple funding streams. With the growing administrative complexity of funding for social services targeted at current and former welfare recipients, the internal operations of social service agencies have become more bureaucratic and rule-bound. That is, social service agencies feel less autonomous and free to innovate since every programmatic decision must be weighed within the context of multiple funding criteria and restrictions. Often social service providers feel that they must choose between the best interests of

their clients and the best interest of their organization. Adapting to changes in funding criteria frequently is required for an agency to stay in business; however, these programmatic changes are frequently viewed as being in conflict with the client's best interest.

The final barrier that social service agencies face in moving clients from welfare to work is their desire to pursue a train and place model versus the place and train (or work-first) model that has been adopted by the federal government and Indiana's Family and Social Service Administration (FSSA). While social service agency directors recognize and have responded to the place and train model by designing and administering programs to achieve this goal, their commitment to this strategy has started to erode as they begin to face the most hard-to-employ welfare recipients. There is growing contempt among social service agency directors for FSSA's perceived unwillingness to change or substantially modify its work-first approach, given the more frequent and deep-seated disabilities faced by many remaining welfare recipients.

Social service agency directors are unsure that FSSA administrators really understand and appreciate the challenges their organizations face in moving the most hard-to-employ welfare recipients into the labor force. While agencies frequently express their belief that many of those remaining on welfare can benefit from social service intervention, and may be able to find and keep a job, they believe it's not going to happen without a substantial investment in resources, and a change in administrative and programmatic rules to allow recipients to receive services for extended periods of time (perhaps over the life-course), and with more flexible sanctioning rules that will accommodate the challenges faced by those remaining on welfare.

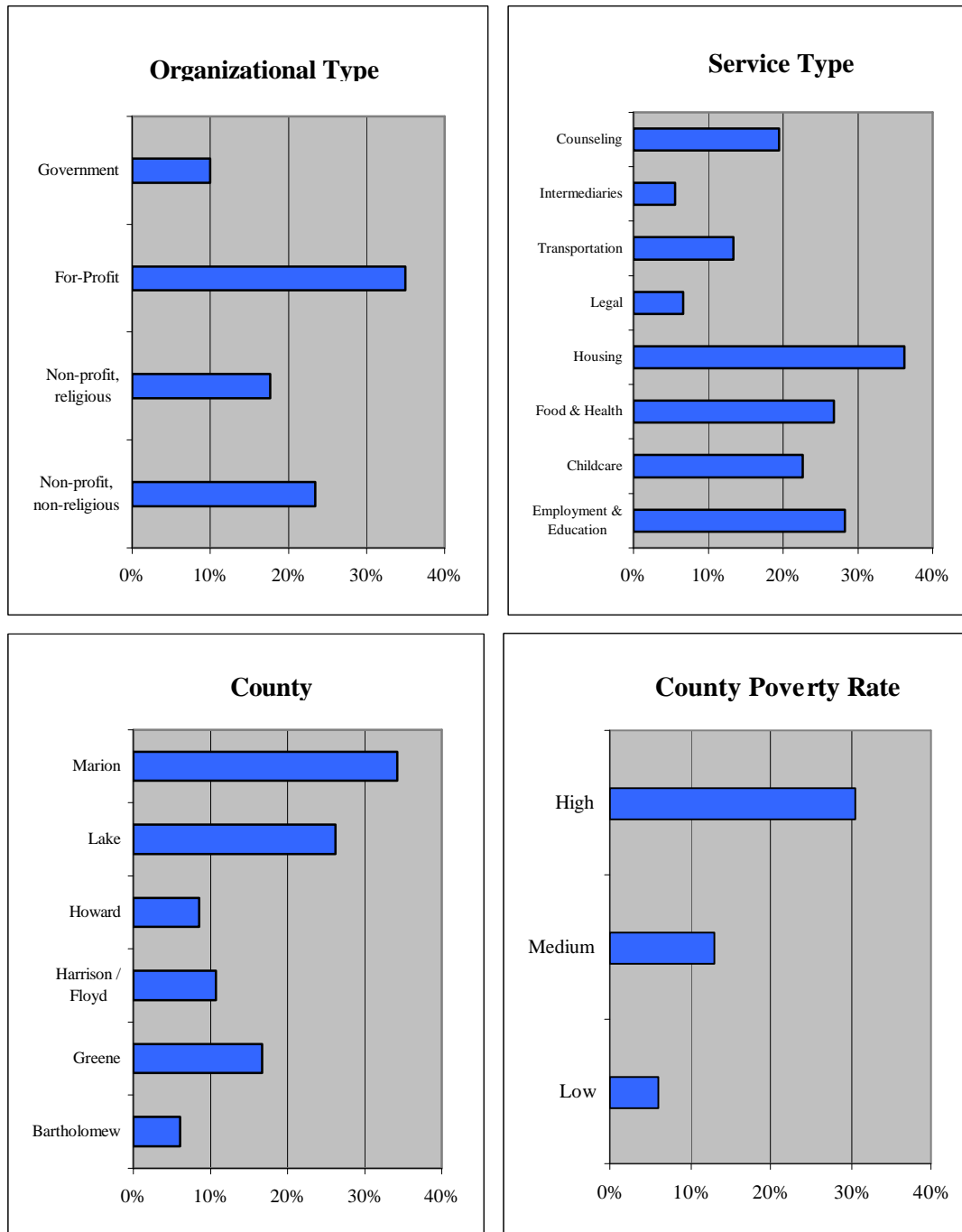
Signs of this struggle can be found in numerous statements made by executive directors who believe that FSSA (and other government agencies) has no intention of administering welfare programs that are in the best interest of recipients. For example, one respondent claimed that welfare reform in Indiana has become a "war on poor people." This type of sentiment reflects the perception that the state's welfare reform program lacks compassion for the very real hardships faced by many still on welfare that have been unable to get off because of severe or mild mental and physical disabilities, including learning disabilities, and drug and alcohol addiction. Related to this sentiment is the perception that FSSA wants to administer a welfare reform program that attempts to treat all remaining welfare recipients with a "one size fits all" approach. For many social service directors, this type of approach denies the reality of recipient

variation in barriers to work, and places undo material hardships and personal stress on recipients who suffer from disabilities that cannot be overcome quickly (if they can be overcome at all).

In spite of these strongly held positions, only 20.5 percent of the agencies in this study reported any involvement in lobbying against changes to welfare reform policy (not shown in tables). Figure 11 presents the rate of lobbying against welfare reform policy by organizational type, service type, county and county poverty rate. While 35 percent of the for-profit agencies reported some lobbying activity since welfare reform was implemented in Indiana, only 23 percent of non-profit, non-religious organizations and 18 percent of faith-based agencies reported being involved in this type of activity. As for service type, over 35 percent of housing agencies lobbied against welfare reform policies, making these organizations the most active opponents to welfare reform. Slightly lower levels of lobbying activity were reported for agencies providing employment, childcare, and food services. As for county and county poverty rate, there is a linear relationship between county poverty rates and the percentage of agencies reporting anti-welfare reform lobbying activity, i.e., higher poverty rates translate into more opposition to welfare reform. This relationship reflects substantially higher rates of dissent among Marion and Lake county agencies – 34 and 26 percent, respectively.

It is unclear why these tensions have not spilled over into more formal protest activity. Nevertheless, these tensions are likely to be result of poor communication between FSSA and social service providers across the state or represent just the latest round of disagreement between social service grant makers and grant recipients. However, since the sentiment is strong and widespread, FSSA will likely face more problems in securing the cooperation of existing providers in implementing current welfare policy and programs if it is not addressed.

Figure 11: Percent of Agencies that Lobbied Against Public Policy Changes Related to Welfare Reform Since 1995



What are the impacts of welfare reform on changes in the collaboration and cooperation patterns among direct service providers, and changes in the social service delivery system?

In spite of their misgivings about welfare reform, social service providers have recognized and are reacting to the work first approach. Agency directors repeatedly expressed their belief that welfare reform had created a cultural and programmatic shift within their organizations. Instead of job placement and training being an ancillary service, it is now a primary mission for most social service agencies, even if the agency does not provide these services directly. Services that were thought to be unrelated to the place and train strategy, e.g., childcare and counseling, are now being re-conceptualized as a vehicle for helping welfare recipients find and keep jobs.

In an effort to meet the new demands of welfare reform on recipients, social service providers report very high rates of inter-agency cooperation and collaboration. Several important findings that document the level of cooperation and collaboration include:

- ?? 79.7 percent of the social service agencies in the sample report active service or program coordination with a not-for-profit organization;
- ?? 74.8 percent of the social service agencies in the sample report active service or program coordination with a government agency; and
- ?? 35.9 percent of the social service agencies in the sample report active service or program coordination with a for-profit firm.

Overall, agencies appear to be working together in an effort to meet the needs of welfare recipients.

Figure 12 presents the percent of agencies that have joined or established a network of organizations since Indiana's welfare reform. Counting all cases in the sample, 47.1 percent of the agencies report that they have joined or established a social service organizational network since 1995 (not shown in the figure). While there is not much variation in this measure by organizational type, service type, county, or county poverty rate, a few interesting differences do exist. Almost 60 percent of non-profit, non-religious organizations have joined a service network. In addition, Marion and Lake counties appear to have organizations that are more likely to have joined a social service network since welfare reform.

To supplement this measure, Figure 13 presents the percent of agencies that developed mutual board membership with other service providers since Indiana's welfare reform. Again,

counting all cases in the sample, 35.3 percent of the agencies report that they have developed mutual board memberships with other service providers since 1995 (not shown in the figure). The propensity to develop mutual board memberships appears to be most acute within government and non-profit, non-religious organizations. There also appears to be an affinity for sharing board members as a form of collaboration and coordination within organizations that provide transportation services. While all counties report similar levels of mutual board membership since Indiana's welfare reform, the medium poverty counties, i.e., Howard, Harrison-Floyd, and Greene, have agencies with slightly higher levels of mutual board membership.

A final measure of inter-organizational change following welfare reform was generated through the use of a social network name generator. That is, all respondents were asked to name ten organizations that they work with on a regular basis. For each organization listed, a series of questions were administered, capturing the characteristics of the agency's organizational ties, including whether the organizations listed worked with the respondent's agency prior to Indiana's welfare reform in 1995. Results from this question are presented in Figure 14.

Overall, 69.6 percent of an agency's organizational ties existed prior to Indiana's welfare reform (not shown in figure). This means that approximately one-third of all agency-level organizational ties have developed since 1995. While the majority of agency-level organizational ties pre-date welfare reform, a very substantial number of new inter-organizational relationships have developed since welfare reform. This would appear to indicate that welfare reform may be having profound impacts on the relationships among and between social service providers.

In general, there is very little variation in the number of new organizational ties by organizational type, service type, county or county poverty rate. It would appear, however, that Marion county agencies have experienced the most change in organizational ties. For these organizations, the average agency reports that approximately 55 percent of its organizational ties have been created since welfare reform.

Figure 12: Percent of Agencies that Joined or Established a Network of Organizations Since Indiana's Welfare Reform Began in 1995

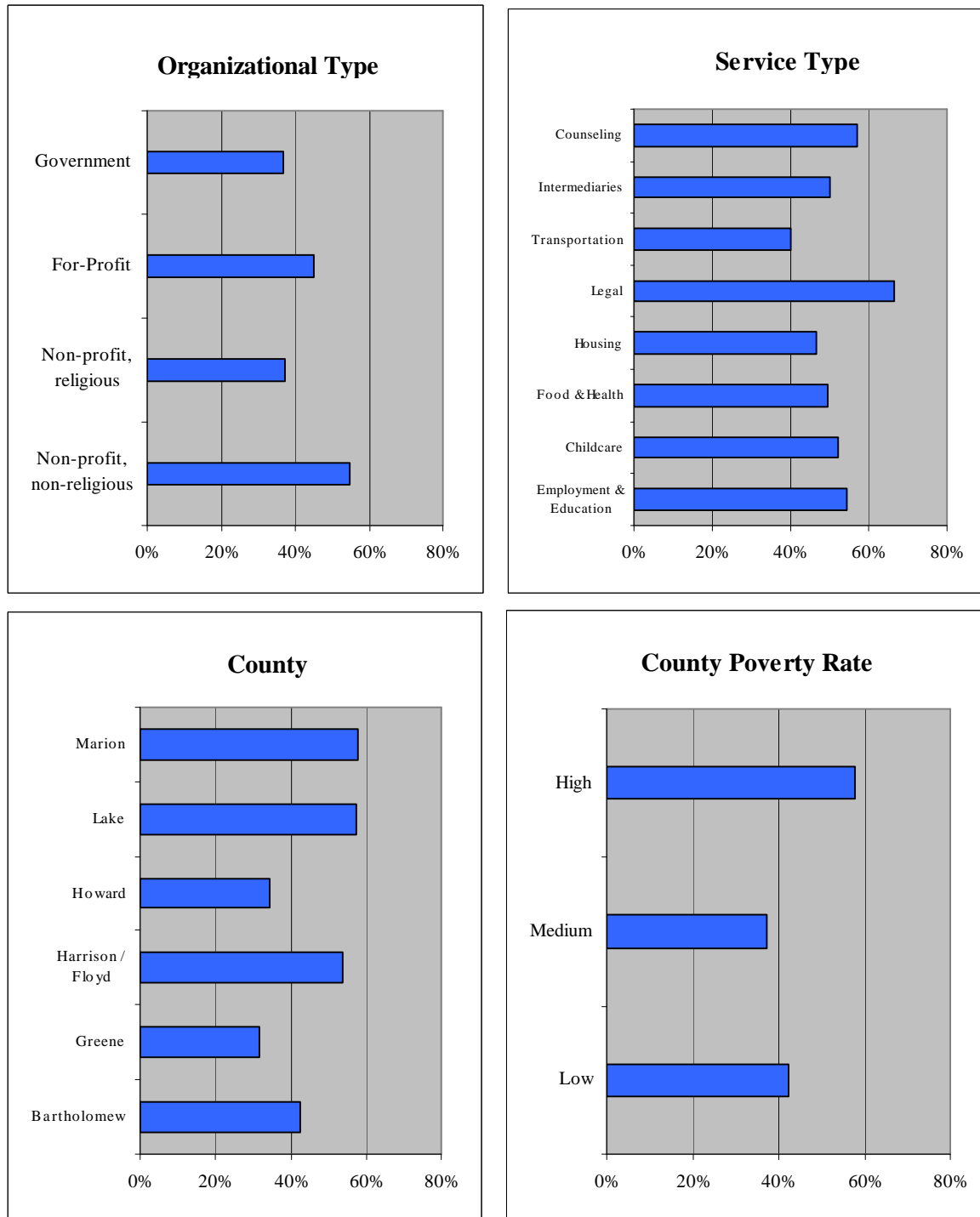
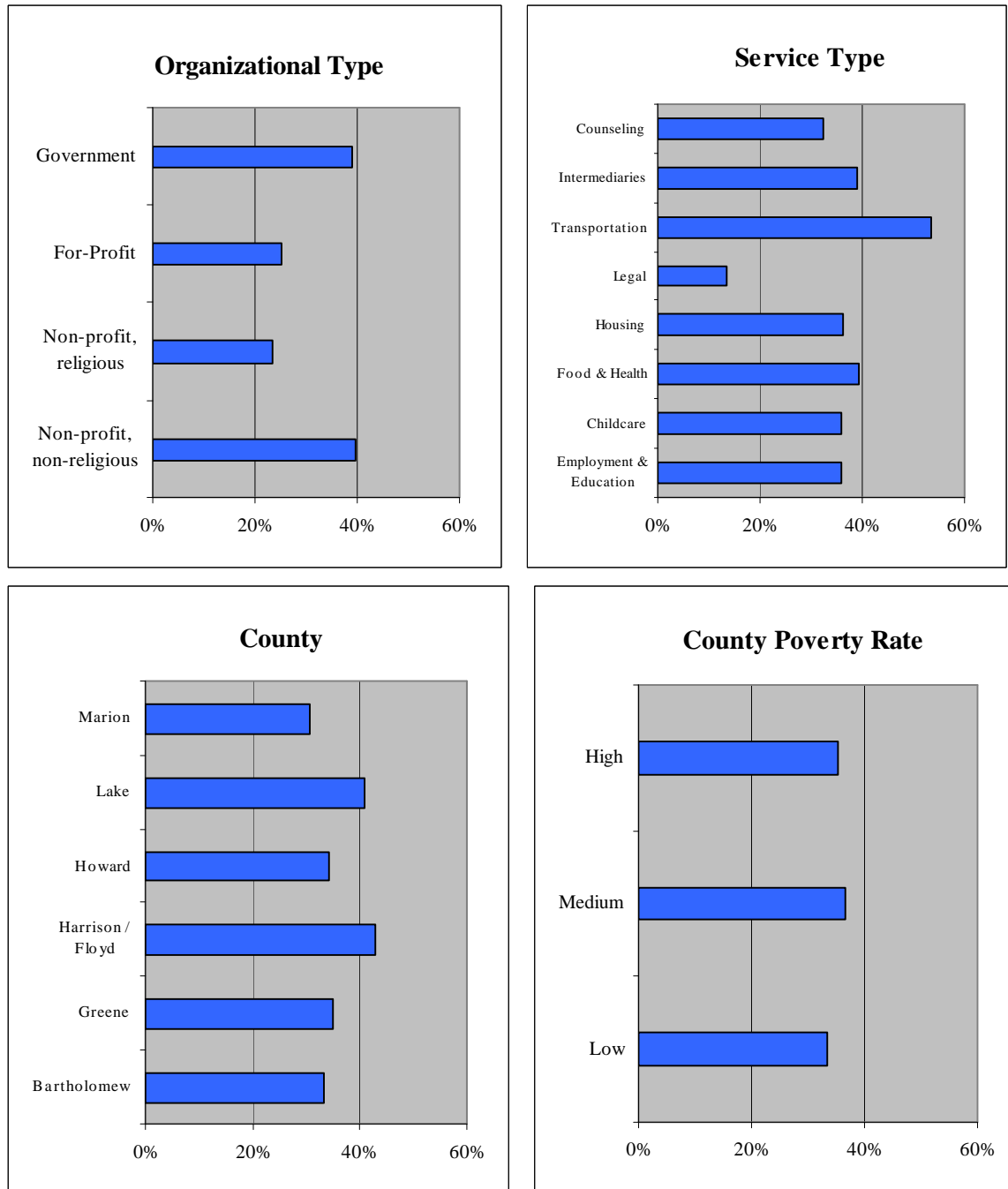


Figure 13: Percent of Agencies that Developed Mutual Board Membership with Other Service Providers Since Indiana's Welfare Reform Began in 1995



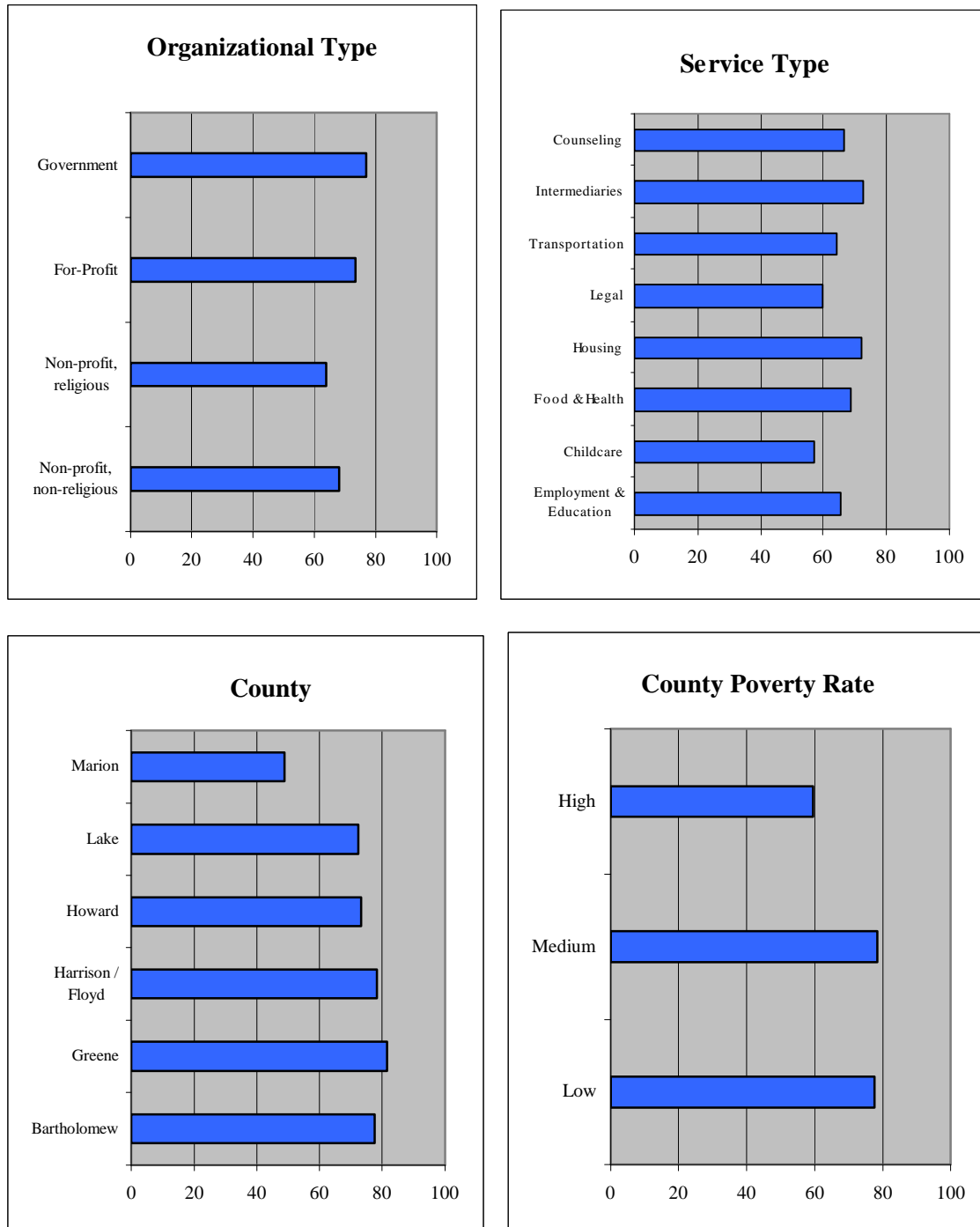
It is important to note, the number of new ties an organization has developed since welfare reform appears to have a non-linear relationship with change in demand for services (not shown in figure). That is, agencies with increasing, as well as decreasing, levels of demand have established more new relationships, while organizations that report no change in the demand for service have developed fewer new ties. This means that organizations that have been overwhelmed with new service requests by clients are likely seeking out assistance from other providers to help meet this excess demand. It also means that organizations with excess capacity due to declining demand are likely being sought out by other service providers to help address other organization's excess demand.

Clearly, the mechanisms responsible for this increased level of cooperation and collaboration appear to be rooted in a desire to meet the needs of current and former welfare recipients. This surge in inter-agency cooperation has also been fostered by state-level initiatives, such as the Step Ahead Councils, designed to increase information sharing, referrals, and a seamless social service delivery system.

The extent of social service agency cooperation and collaboration that seems to have developed out of welfare reform is only one side of the inter-organizational change story. At the same time that organizations have been moving to collaborate and coordinate with other social service providers, welfare reform has also heightened the extent of inter-agency competition, particularly in Marion and Lake counties. Specifically, welfare reform has increased inter-agency competition over scarce resources to fund programs and general operations. This includes competition for information and relationships that may result in new funding opportunities. Welfare reform also appears to have increased competition among organizations for clients who do not possess substantial disabilities, requiring only modest investments to make them job-ready.

Levels of inter-agency competition have been fueled, in part, by the replacement of fee-for-service contracts with performance-based contracts. The former provides payment for a unit of service provided, regardless of a client's outcome. In contrast, the latter links payment and client outcomes, such as the number of clients placed and/or retained in a job, so that a service provider does not receive payment unless an outcome or goal is reached. This means that agencies have a financial incentive for "creaming" welfare recipients, targeting the least disadvantaged for services.

Figure 14: Percent of Organizational Ties with Agencies Prior to Indiana's Welfare Reform in 1995



Some executive directors expressed concern that FSSA and other state agencies have been sending a mixed signal, encouraging both inter-agency collaboration and competition. One executive director described the current social service business environment as “coopitition,” reflecting his perception that social service agencies are being asked to pursue conflicting goals. For many organizations, determining whether another organization is a competitor or a collaborator can be a very difficult task. The uncertainty involved in identifying potential competitors and collaborators translates into a system where informal partnerships (or cartels) develop among social service providers. These informal partnerships are often created along particularistic dimensions unique to a particular organization. Frequently, an inter-agency relationship develops into collaboration when an agency’s executive director has a personal relationship that fosters high levels of trust and certainty. However, when an executive director leaves an organization, the collaborative relationship may be threatened and replaced by a relationship characterized by competition and distrust.

The tension between competition and collaboration has also spilled over into the relationships between non-governmental social service providers and Department of Children and Family (DCF) caseworkers. Some non-governmental social service executive directors believe that DCF caseworkers are refusing to authorize referrals for service in order to slow down the precipitous decline in the welfare caseload. According to these respondents, DCF caseworkers are beginning to get scared that further caseload reductions will jeopardize their jobs. After all, since 1995, the Indiana welfare caseload has dropped by more than 50 percent; yet, the number of DCF caseworkers remains virtually unchanged from its pre-1995 levels. In order to protect their jobs, some social service executive directors believe that DCF caseworkers are making it increasingly difficult for welfare recipients to receive service referrals, slowing the decline in the overall welfare caseload.

Whether or not this accusation is true, social service agencies have adapted to the dual pressures of cooperation and competition by developing an industry based on the principle of “flexible specialization.” That is, social service agencies are increasingly organizing the production of social services into highly specialized areas that are also flexible enough to withstand sudden changes in administrative rules, as well as funding streams. The forces responsible for the changing organization of social services include: (1) substantial changes in funding streams that followed federal welfare reform; (2) changes in contracts for social

services; and (3) changes in clients' needs. The end result is an explosion of new programs and initiatives that are locally designed and implemented with no real continuity across geographic locations.

Social Service Provider Study Policy Implications

In discussing the potential policy implications of these findings, it is important to qualify this discussion with the same statement that preceded the presentation of findings from the Social Service Provider Study. The findings from the SSPS are exploratory in nature, and the study's mission was to make progress towards the collection of systematic information on welfare reform and social service organizations, and was not intended to present findings that could be generalized beyond those organizations included in this study. Therefore, the discussion of policy implications that follows should be considered within this context.

The first policy implication of the SPSS is the need for administrative changes that attempt to customize welfare related services to the needs of specific clients. That is, the "one size fits all" place and train model should be modified in order to make distinctions between clients based on the level of intervention needed to move them from welfare to work. Time limits, sanctioning decisions, and the types of services that will be funded with state resources should account for the vast variation in the types and extent of obstacles faced by current and former welfare recipients. A multi-tier welfare recipients' needs system that differentiates welfare recipients by level of need, attaching different time limits, sanctioning criteria, and types of fundable services would provide the flexibility needed by social service agencies to help address the multiple barriers faced by hard-to-employ welfare recipients.

Related to the customization of state-level welfare policy with individual client needs, is the development and dissemination of criteria that are being used to make decisions regarding the appeal of sanctioning and termination decisions. Currently, social service agencies are in an undesirable position of having to advise clients on how to manage their time-limited welfare benefits without being able to convey to their clients the appeals process and/or the criteria that will be used in the appeals decision. By clarifying and disseminating the administrative process for appealing sanctions, social service providers and welfare recipients will be in a better position to advise clients on developing a strategy that will most effectively move them into a job.

There are numerous ways to develop an administrative protocol for appealing sanctions. For example, this function could be devolved to the local Step Ahead Councils where each case would be heard and weighed by a group of local experts who have substantial experience in dealing with the problems of hard-to-employ recipients. This option could also allow for a “community standard” on work and time limit exemptions to be used in making a decision on sanctions where the beliefs and values of individuals who have extensive experience working in a particular local would prevail. Another option is for this appeals process to be centralized within the DCF director’s office where the decision would be based on a set of established administrative criteria. Regardless of the administrative protocol, what is important is that social service providers and recipients have a clear understanding of the appeals process so that they can more effectively manage their welfare benefits.

A third policy implication of the SSPS findings is the need to make program eligibility criteria clear for all welfare and welfare related programs. While state governments may not be able to address changes in federal funding sources, they can try to enhance the accessibility and clarity of eligibility criteria for these multiple funding sources and programs. This will help cut down the amount of misinformation that may be lowering participation rates for various programs, including food stamps. The lack of accurate eligibility information that is easily accessible amounts to a massive diversion strategy that is likely working against the work first welfare reform strategy. That is, social service providers and recipients may avoid investing in training and other interventions because they do not have accurate information about the types of work related support subsidies that may be available to help them in their post-welfare lives. Eligibility criteria that are in an accessible location may help overcome this problem.

This information could be posted to the FSSA web-page. It could also be disseminated through a traditional media campaign designed to publicize who is and who is not eligible for various welfare reform related services. Another option is to disseminate this information through a series of policy seminars for social service providers across the state hosted by FSSA. These seminars would also have the dual goal of trying to convey FSSA’s commitment to helping welfare clients, while building trust between FSSA and the state’s service providers.

The final policy implication of the SSPS findings is the need to address the competition-collaboration conundrum, particularly in Lake and Marion counties. The goal should be to maintain collaboration without eliminating competition. While there are no clear actions that

will easily make this happen, it may be possible to balance collaboration and competition by asking social service agencies to form teams, comprised of social service agencies that when linked provide a complementary array of services. Since each member of a social service team provides a different type of service, agencies within each team will be less inclined to compete against each other, and collaboration within each team will be encouraged. In contrast, competition across teams will likely be enhanced, since each team provides similar services and will be competing for the same resources.

Related to the competition-collaboration conundrum, is the need to develop a strategy to address the number of DCF caseworkers to reflect the overall decline in the welfare caseload. A downsizing or re-training strategy needs to account for the conflicting choice that DCF caseworkers face in having to prop-up welfare caseloads in order to help maintain their job security. In order to undo this perception, DCF caseworkers and social service providers across the state need to know that there is no connection between declines in welfare caseloads and the job security of DCF caseworkers.

INTERVIEWER CODE:
(CODE ONE)

PERSONAL INTERVIEW 1

TELEPHONE INTERVIEW 2

The Social Service Provider Study Questionnaire

Institute for Family and Social Responsibility

Indiana University

January 1999

COUNTY:_____

CASE ID:_____

INTERVIEWER'S NAME:_____

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SECTION I – HISTORY AND BACKGROUND

1. In which year was the organization established?

RECORD THE YEAR: _____

NOTE: THE ORGANIZATION REFERS TO THE PLACE WHERE SERVICES ARE BEING PROVIDED OR COORDINATED

2. How many offices do you have? (CIRCLE AS APPLICABLE)

a) ONE (GO TO Q.4)

b) TWO OR MORE (FILL IN THE NUMBER OF OFFICES) _____

3. Where are the other offices located? (RECORD CITY, COUNTY & STATE)

a)

b)

c)

d)

4. How would you describe the unit for which you have principal responsibility? (READ RESPONSE CATEGORIES & CIRCLE THE NUMBERS AS APPLICABLE)

HEADQUARTERS OFFICE OF A REGIONAL/NATIONAL ORGANIZATION	1
HEADQUARTERS OFFICE PLUS AFFILIATED LOCAL OFFICES	2
A SINGLE OFFICE OR FACILITY	3
MULTIPLE OFFICES WITHIN THIS METROPOLITAN AREA	4
MULTIPLE OFFICES, INCLUDING SOME OUTSIDE THIS METRO AREA	5

PLEASE CIRCLE ONLY NUMBERS IN FUTURE QUESTIONS AS WELL

INTERVIEWER NOTE: SUBSEQUENT QUESTIONS REFER TO THE UNIT OR ORGANIZATION REFERENCED TO IN THE QUESTION ABOVE

5. What is the name, address and telephone number of your organization?

NAME: _____
ADDRESS: _____
CITY: _____
ZIPCODE: _____
TELEPHONE: _____

6. What is the organization's primary mission?

7. Is the organization a non-profit non-religious, a non-profit religious, a for-profit or a government agency? (CIRCLE AS APPLICABLE)

NON-PROFIT NON-RELIGIOUS	1
NON-PROFIT RELIGIOUS	2
FOR-PROFIT	3
GOVERNMENT AGENCY	4
OTHER (SPECIFY): _____	5

8. Has the organization always been this type of organization? (CIRCLE AS APPLICABLE)

YES	1 (GO TO Q.11)
NO	2

9. What did you change from? (CIRCLE AS APPLICABLE)

A NON-PROFIT ORGANIZATION	1
A PUBLIC OR GOVERNMENT ORGANIZATION	2
A FOR-PROFIT ORGANIZATION	3
OTHER (SPECIFY) _____	4

10. In what year did this change occur?

_____ YEAR

11. What is your position?

_____ JOB TITLE

12. What are your primary responsibilities?

13. How many years have you been in this job?

_____ YEARS _____ MONTHS

14. How many years have you worked in this organization?

_____ YEARS _____ MONTHS

15. What is your educational background?

_____ HIGHEST DEGREE OBTAINED
_____ FIELD OR AREA OF STUDY

16. What is the budget that your organization has for funding for all the services that your organization provides?

RECORD THE ANNUAL FIGURE HERE

\$ _____.

17. What were the main sources and how much was the amount of funds from each source that you received during the most recently completed fiscal year?

(PUT A \$ 0.00 IF THERE WAS NO INCOME RECEIVED FROM A PARTICULAR SOURCE)

TOTAL REVENUE THIS YEAR:

\$ _____.

What is the fiscal year period?

FROM: *MONTH* _____ *YEAR* _____
TO: *MONTH* _____ *YEAR* _____

17 a) CONTRIBUTIONS
 AMOUNT

a) Individual giving	
b) Bequests	
c) Religious denominational organizations	
d) Federated charities (i.e. United Way, religious federated charities such as Catholic Charities, etc.)	
e) Other private organizations (foundations, corporations, etc.)	
f) Federal contributions and grants (not contracts)	
g) State government contributions and grants (not contracts)	
h) Local government contributions and grants (not contracts)	
i) Other contributions (SPECIFY: _____)	

17 b) PROGRAM & OTHER REVENUE
 AMOUNT

a) Fees and charges for services to clients (rental of facilities, day-care, etc.)	
b) School tuition	
c) Membership dues and assessments	
d) Investment or endowment income	
e) Amount from sales of property, vehicles, etc.	
f) Sale of products	
g) Net income from special fund-raising events	
h) Third party payments (not government)	
i) Federal fees and contracts	
j) State government fees and contracts	
k) Local government fees and contracts	
l) Other miscellaneous sources of revenue not elsewhere classified (SPECIFY: _____)	

18. What were the total expenditures that your organization has for funding for all the services that your organization provides for the most recently completed fiscal year?

TOTAL REVENUE THIS YEAR:

\$_____.

What is the fiscal year period?

FROM: *MONTH* _____

YEAR _____

TO: *MONTH* _____

YEAR _____

a) Wages and salaries (including clergy, regular staff, and custodial staff)	
b) Fringe benefits (pension plan, insurance, housing, etc.)	
c) Professional fees and other payments (includes fees and payments for services provided by companies or individuals outside regular staff)	
d) Occupancy costs such as supplies, services and other costs associated with occupancy (PROBE: For example, utilities, mortgage and rental payments, property insurance, etc.)	

INTERVIEWER NOTE:

?? IF THE ORGANIZATION WAS ESTABLISHED AFTER 1994, REPHRASE QUESTIONS 19 TO 21, IN THIS SECTION AND SUBSTITUTE '1994' WITH 'THE FIRST YEAR OF OPERATIONS.' (SEE Q.1 P.3)

?? IF FINANCIAL DATA IS UNAVAILABLE FOR 1994, REPHRASE QUESTIONS 19 TO 21, IN THIS SECTION AND SUBSTITUTE 1994 WITH 'THE YEAR CLOSEST TO 1994 FOR WHICH FINANCIAL DATA IS AVAILABLE.'

19. What was the budget that your organization had for funding for all the services that your organization provided prior to Indiana's welfare reforms in 1994?

RECORD THE ANNUAL FIGURE HERE

\$_____.

20. What were the main sources and how much was the amount of funds from each source that you received during the fiscal year 1994?

(PUT A \$ 0.00 IF THERE WAS NO INCOME RECEIVED FROM A PARTICULAR SOURCE)

TOTAL REVENUE IN 1994:

\$_____.

What is the fiscal year period?

FROM: **MONTH** _____

YEAR _____

TO: **MONTH** _____

YEAR _____

20 a) CONTRIBUTIONS
AMOUNT

a) Individual giving	
b) Bequests	
c) Religious denominational organizations	
d) Federated charities (i.e. United Way, religious federated charities such as Catholic Charities, etc.)	
e) Other private organizations (foundations, corporations, etc.)	
f) Federal contributions and grants (not contracts)	
g) State government contributions and grants (not contracts)	
h) Local government contributions and grants (not contracts)	
i) Other contributions (SPECIFY: _____)	

20 b) PROGRAM & OTHER REVENUE

AMOUNT

a) Fees and charges for services to clients (rental of facilities, day-care, etc.)	
b) School tuition	
c) Membership dues and assessments	
d) Investment or endowment income	
e) Amount from sales of property, vehicles, etc.	
f) Sale of products	
g) Net income from special fund-raising events	

h) Third party payments (not government)	
i) Federal fees and contracts	
j) State government fees and contracts	
k) Local government fees and contracts	
l) Other miscellaneous sources of revenue not elsewhere classified (SPECIFY: _____)	

21. What were the total expenditures that your organization had for funding for all the services that your organization provided prior to Indiana's welfare reform in 1994?

TOTAL EXPENDITURE IN 1994:

\$ _____.

What is the fiscal year period?

FROM: MONTH _____

YEAR _____

TO: MONTH _____

YEAR _____

a) Wages and salaries (including clergy, regular staff, and custodial staff)	
b) Fringe benefits (pension plan, insurance, housing, etc.)	
c) Professional fees and other payments (includes fees and payments for services provided by companies or individuals outside regular staff)	
d) Occupancy costs such as supplies, services and other costs associated with occupancy (PROBE: For example, utilities, mortgage and rental payments, property insurance, etc.)	

22. What were your organizations total expenditures in the fiscal (budget) year:

1995: \$ _____.

1996: \$ _____.

1997: \$ _____.

23. What do you expect your organizations total expenditures to be in fiscal (budget) year:

1999: \$ _____.

2000: \$ _____.

24. I am going to list several ways that social service organizations raise revenues. After I read each fund raising activity, please indicate which activity your organization currently uses, which activity your organization has used since Indiana's welfare reform in 1995, and which activity your organization plans to use in the near future. Does your organization currently use (READ FUNDRAISING CATEGORIES)? Has your organization used (READ FUNDRAISING CATEGORIES) since Indiana's welfare reform in 1995? Does your organization plan to use (READ FUNDRAISING CATEGORIES) in the near future?

PLEASE MARK (x) IN THE RESPECTIVE COLUMN AFTER READING EACH ACTIVITY.	Currently uses	Introduced since 1995	Plan in near future
	(a)	(b)	(c)
a) Government programs?			
b) Foundations or corporate sponsors?			
c) Fees or user charges?			
d) Profit-making subsidiary?			
e) Direct fundraising?			
f) Membership in United Way or other federated charities?			
h) Other? (SPECIFY: _____)			

25. Of your total operating expenditures for the last fiscal year, what percentage went for (READ SERVICE CATEGORIES), including administrative expenditures?

Service Category	Percentage of total expenditure
a) Human/social services	
b) Childcare services	
c) Employment & training assistance services	
d) Housing & community development services	
e) Legal aid & advocacy services	

26. What is the geographic area served by your organization? (CIRCLE ALL THAT APPLY)

- NEIGHBORHOOD 1
- CITYWIDE 2
- COUNTYWIDE 3
- METROPOLITAN 4
- STATEWIDE 5
- MULTISTATE OR REGIONAL 6
- NATIONAL 7
- INTERNATIONAL 8
- OTHER (SPECIFY: _____) 9
- DO NOT KNOW 10

27. Which of the following best describes the geographic area in which your organization is targeting? (CIRCLE AS APPLICABLE)

- LARGE CITY 1
- SMALL CITY 2
- TOWN 3
- SUBURBAN AREA 4
- RURAL 5
- OTHER (SPECIFY) _____ 6
- DO NOT KNOW 7

28. Has your organization's geographic focus changed since Indiana's welfare reform began in 1995? (CIRCLE AS APPLICABLE)

YES	1
NO	2 (GO TO Q.30)

29. In what ways did the geographic focus change?

30. Does your organization target any particular clients or population groups? (CIRCLE AS APPLICABLE)

YES	1
NO	2 (GO TO Q.32)

31. Which groups are the most important target groups for your organization?

32. Has your organization's target population changed since Indiana's welfare reform began in 1995? (CIRCLE AS APPLICABLE)

YES	1
NO	2 (GO TO Q.34)

33. In what ways did the target population change?

34. As of January 1, 1998 how many paid (full- and part-time) workers did your organization currently employ?

RECORD NUMBER HERE _____

35. As of January 1, 1998 what was the composition of your paid (full- and part-time) work force?

PERCENTAGE OF: (TOTAL CAN EXCEED 100%)

Women	
Blacks	
Asians	
American Indians	
Hispanics	
Current or former welfare recipients	
Other (SPECIFY:_____)	

36. Excluding your support personnel, what proportion of your paid staff has a master's degree or higher?

_____ PERCENT

37. Is there a union(s) that represents employees at this agency? (CIRCLE AS APPLICABLE)

YES 1
NO 2 (GO TO Q.39)

38. Which unions?

39. In 1994, how many paid (full- and part-time) workers did your organization employ?

RECORD NUMBER HERE _____

40. In 1994, what percentage of paid (full- and part-time) workers were current or former welfare recipients?

RECORD PERCENTAGE HERE _____

41. Since 1994, how has the composition of your workforce changed?

42. Is your agency affiliated with or a member of any of the following organizations or groups? (READ RESPONSE CATAGORIES & CIRCLE ALL THAT APPLY)

UNITED WAY	1
CHURCH OR A RELIGIOUS ORGANIZATION	2
A NATIONAL FEDERATION/NETWORK (PROBE: FOR EXAMPLE, RED CROSS, PLANNED PARENTHOOD, FAMILY SERVICES OF AMERICA, CHILD WELFARE LEAGUE, ETC.)	3
A STATE-WIDE ASSOCIATION (SPECIFY:_____)	4
A LOCAL NETWORK (SPECIFY:_____)	5

43. Since Indiana's welfare reform in 1995, would you say that the amount of demand for service requested has (READ RESPONSE CATEGORIES & CIRCLE AS APPLICABLE).

SUBSTANTIALLY INCREASED	1
MODERATELY INCREASED	2
DID NOT CHANGE	3
MODERATELY DECREASED	4
SUBSTANTIALLY DECREASED	5

44. In your opinion, to what extent has (READ FACTORS AFFECTING DEMAND FOR SERVICE) affected the demand for services provided by your organization in your community since Indiana's welfare reform in 1995? (GIVE RESPONDENT CARD # 1)

Factors affecting demand for service	Substantially Increased	Moderately Increased	Did not change	Substantially Decreased	Moderately Decreased	Do not know
a) Local economic conditions						
b) Unemployment						
c) Inflation						
d) Federal government cutbacks						
e) State government cutbacks						
f) Local government cutbacks						
g) Change in population composition						
h) Lack of transportation						
i) Lack of affordable child care						
j) Major employer leaving town or going out of business						
k) Major employer entering the town						
l) Decreased local education and training opportunities						
m) Increased local education and training opportunities						

INTERVIEWER NOTE: TAKE CARD # 1 FROM RESPONDENT.

45. Which of the following do you use to advertise your services? (GIVE RESPONDENT CARD # 2. CIRCLE ALL THAT APPLY)

- a) MEDIA ADVERTISEMENTS, INCLUDING NEWSPAPER AND RADIO ADS.
- b) SIGN IN FRONT OF OFFICE / ORGANIZATION.
- c) BROCHURES AND FLYERS IN LOCAL COMMUNITY SERVICE AGENCIES.
- d) BROCHURE AND FLYERS IN PROFESSIONAL OFFICES WHERE PEOPLE IN NEED OF SERVICES MIGHT CONGREGATE.
- e) FORMAL CONTACTS WITH COMMUNITY SOCIAL SERVICE AGENCIES.
- f) INFORMAL CONTACTS WITH COMMUNITY SOCIAL SERVICE AGENCIES.
- g) LISTING IN THE TELEPHONE BOOK.
- h) OTHER (SPECIFY:_____).

46. Which is the most important advertising method?

47. Which is the second most important advertising method?

INTERVIEWER NOTE: TAKE CARD # 2 FROM RESPONDENT.

48. In general, how do people in need of assistance find out about your services?

(GIVE RESPONDENT CARD # 3. CIRCLE ALL THAT APPLY)

- a) REFERRED BY LOCAL FAMILY SERVICE (WELFARE) OFFICE
- b) REFERRED BY VETERAN'S ADMINISTRATION OFFICE
- c) REFERRED BY OTHER GOVERNMENT OFFICE
(SPECIFY:_____)
- d) REFERRED BY LOCAL NON-PROFIT SOCIAL SERVICE PROVIDER
- e) REFERRED BY LOCAL RELIGIOUS ORGANIZATION
- f) WORD OF MOUTH
- g) TELEPHONE BOOK
- h) ADVERTISEMENTS
- i) OTHER (SPECIFY:_____)

49. What is the most important referral method?

50. What is the second most important referral method?

INTERVIEWER NOTE: TAKE CARD # 3 FROM RESPONDENT.

51. Since Indiana's welfare reform in 1995, has your organization made any of the following change in service delivery? (GIVE RESPONDENT CARD # 4. CIRCLE ALL THAT APPLY)

- a) REDUCED THE NUMBER OF APPLICANTS SERVED.
- b) TIGHTENED ELIGIBILITY REQUIREMENTS FOR SERVICE.
- c) REDUCED THE LEVEL OF SERVICE PROVIDED TO INDIVIDUAL APPLICANTS.
- d) ELIMINATED SPECIFIC SERVICES OR PROGRAMS.
- e) EXPANDED THE NUMBER OF APPLICANTS SERVED.
- f) EXPANDED ELIGIBILITY REQUIREMENTS FOR SERVICES.
- g) INCREASED THE LEVEL OF SERVICE PROVIDED TO INDIVIDUAL APPLICANTS.
- h) INTRODUCED NEW SERVICE OR PROGRAMS.

INTERVIEWER NOTE: TAKE CARD # 4 FROM RESPONDENT.

SECTION II – ORGANIZATIONAL CHANGE

THE MATRIX BELOW RELATES TO A SERIES OF A QUESTIONS FOLLOWED BY FIVE CHOICES (RESPONSE CATEGORIES). ASK THE QUESTION FOLLOWED BY THE FIVE CHOICES AND MARK (x) IN THE CORRESPONDING COLUMN. (GIVE RESPONDENT CARD # 5.)

1. We are interested in learning about your organization's activities and programs.

(RESPONSE CATEGORIES)

- 1) Whether such a program is run directly by your organization.
- 2) Whether your organization participates in or is affiliated in such a program with other organizations in your community, including referrals.
- 3) Whether you had these services in the past but have stopped offering them now.
- 4) Do you plan to start offering these services in near future.
- 5) Such a program has never been offered and there are no plans to offer it in future.

For programs related to (READ THE PROGRAM NAME), please indicate (READ RESPONSE CATEGORIES)	Run by R's agency	Makes referrals	No longer offers service	Plans to offer service	Never offered service
a) Food assistance					
b) Day-care (pre-school) & childcare support					
c) Elderly care					
d) After school activities					
e) Abused women or children					
f) Prevention of teen pregnancy					
g) Tutoring and/or literacy programs					
h) Housing for homeless people					
i) Affordable housing development					
j) Housing search assistance					
k) Migrants or refugees assistance					
l) Family counseling					
m) Parent education					
n) Alcohol or drug prevention/treatment					
o) Free or subsidized transportation services					
p) Job search assistance and placement					
q) Employment training and education (including apprenticeships)					

For programs related to (READ THE PROGRAM NAME), please indicate (READ RESPONSE CATEGORIES)	Run by R's agency	Makes referrals	No longer offers service	Plans to offer service	Never offered service
r) Utility assistance					
s) Medical treatment					
t) Mental health treatment					
u) Clothing					
v) Life skills training					
w) Community development					
x) Business and economic development					

INTERVIEWER NOTE: TAKE CARD # 5 FROM RESPONDENT.

2. THE MATRIX BELOW RELATES TO A SERIES OF A QUESTIONS FOLLOWED BY SIX CHOICES (RESPONSE CATEGORIES). ASK THE QUESTION FOLLOWED BY THE SIX CHOICES AND MARK (x) IN THE CORRESPONDING COLUMN. (GIVE RESPONDENT CARD # 6.)

Since Indiana's welfare reform in 1995, would you say ...	Substantially Increased	Moderately Increased	Did not change	Moderately Decreased	Substantially Decreased	Do not know
a) That the number of your service delivery or program staff has (READ RESPONSE CATEGORIES)						
b) That the number of your administrative or support staff has (READ RESPONSE CATEGORIES)						
c) That the number of your fund raising staff has (READ RESPONSE CATEGORIES)						
d) That the amount of staff training has (READ RESPONSE CATEGORIES)						
e) That the salary for staff has (READ RESPONSE CATEGORIES)						
f) That the difficulty of maintaining competitive salary for staff has (READ RESPONSE CATEGORIES)						
g) That the number of staff vacancies have (READ RESPONSE CATEGORIES)						

Since Indiana's welfare reform in 1995, would you say ...	Substantially Increased	Moderately Increased	Did not change	Moderately Decreased	Substantially Decreased	Do not know
h) That the number of clients served has (<i>READ RESPONSE CATEGORIES</i>)						
i) That the strictness of the eligibility criteria that you enforce for deciding validity of applicants for entitlement of services has (<i>READ RESPONSE CATEGORIES</i>)						
j) That support from federal government programs has (<i>READ RESPONSE CATEGORIES</i>)						
k) That support from state government programs has (<i>READ RESPONSE CATEGORIES</i>)						
l) That support from local government programs has (<i>READ RESPONSE CATEGORIES</i>)						
m) That support from foundations and corporate sponsors has (<i>READ RESPONSE CATEGORIES</i>)						
n) That support from fees and user charges has (<i>READ RESPONSE CATEGORIES</i>)						
o) That support from profit-making subsidiary has (<i>READ RESPONSE CATEGORIES</i>)						
p) That support from direct fundraising has (<i>READ RESPONSE CATEGORIES</i>)						
q) That support from membership in United Way or other federated charities has (<i>READ RESPONSE CATEGORIES</i>)						
r) That the amount of in-kind donations has (<i>READ RESPONSE CATEGORIES</i>)						

INTERVIEWER NOTE: TAKE CARD # 6 FROM RESPONDENT.

3. Since Indiana's welfare reform in 1995, has your organization engaged in any of the following activities? (READ RESPONSE CATEGORIES & CIRCLE ALL THAT APPLY)

- | | |
|---|---|
| ?? JOINED/ESTABLISHED A NETWORK OF ORGANIZATIONS | 1 |
| ?? PARTICIPATED IN OR SPONSORED FORUMS ON GOVERNMENT BUDGET CUTS AND PUBLIC POLICY CHANGES | 2 |
| ?? JOINED OR PARTICIPATED IN FORMAL PROTESTS OR RALLIES <i>AGAINST</i> RECENT PUBLIC POLICY CHANGES, INCLUDING LOBBYING EFFORTS | 3 |
| ?? JOINED OR PARTICIPATED IN PROGRAMS OR RALLIES <i>SUPPORTING</i> RECENT PUBLIC POLICY CHANGES, INCLUDING LOBBYING EFFORTS | 4 |
| ?? DEVELOPED MUTUAL BOARD MEMBERSHIP WITH OTHER SERVICE PROVIDERS AND COORDINATORS | 5 |
| ?? INCREASED JOINT ACTIVITIES OR PROGRAMS WITH OTHER SERVICE PROVIDERS AND COORDINATORS | 6 |
| ?? INCREASED REFERRALS OR INFORMATION SHARING WITH OTHER SERVICE PROVIDERS AND COORDINATORS | 7 |
| ?? NONE OF THE ABOVE | 8 |

4. How many welfare recipients assisted by your organization that were looking for employment found a job last week?

_____ NUMBER

5. What percentage of welfare recipients assisted by your organization that were looking for employment, found a job last week?

_____ PERCENT

6. How many welfare recipients assisted by your organization that were looking for employment found a job last month?

_____ NUMBER

7. What percentage of welfare recipients assisted by your organization that were looking for employment found a job last month?

_____ PERCENT

8. As of January 1, 1999 did your organization employ TANF or workfare participants? (CIRCLE AS APPLICABLE)

YES

1

NO

2 (GO TO Q.11)

9. How many?

_____TANF/WORKFARE PARTICIPANTS

10. How important are state and federal payroll tax incentives in your organization's decision to hire welfare recipients? (CIRCLE AS APPLICABLE)

1	2	3	4	5
Very	Somewhat	Neither	Somewhat	Very
Important	Important	Important	Unimportant	Unimportant
		Nor		
		Unimportant		

11. How would you rate your organization on a scale of 1 (very poor) to 10 (excellent) in terms of...

- a) ...the way you deliver services. _____
- b) ...the way you coordinate services. _____
- c) ...placing welfare recipients in jobs. _____
- d) ...helping clients find and keep good paying jobs which
last for at least six months and offer opportunities
for advancement. _____
- e) ...improving the job skills of welfare recipients. _____
- f) ...improving the life skills of welfare recipients _____

12. In your opinion, what are the three factors that are most likely to explain welfare dependency and long-term poverty?

- a)
- b)
- c)

SECTION III – ORGANIZATIONAL NETWORKS

1. Please mention the names of ten other social service providers that your organization works with. I am going to ask you a few questions about these organizations and their interactions with each other. I will write the names on a separate card and give the card to you for reference. Again, you can be assured of complete confidentiality and privacy.

PLEASE WRITE THE NAMES OF THE ORGANIZATIONS ON CARD # 7.

How many organizations did you list? _____ ORGANIZATIONS
IF LESS THAN TEN, PROBE: Are there any more?
GIVE CARD # 7 TO THE RESPONDENT AND ASK THE FOLLOWING QUESTIONS:

Which of these organizations...	1	2	3	4	5	6	7	8	9	10
a) are for-profit organizations?										
b) are not-for-profit organizations?										
c) are public / government organizations?										
d) are township trustees?										
e) are religious organizations?										
f) are part of a larger network?										
g) do you refer clients to?										
h) refer clients to you?										
i) are direct service providers?										
j) fund your operations?										
k) does your organization fund?										
l) serve the same target area and population as your organization?										
m) share board members with your organization?										
n) share office space with your organization?										
o) have larger operations than yours? (<i>PROBE: OPERATIONS TO INCLUDE SIZE OF THE WORKFORCE ,THE CLIENT BASE AND THE BUDGET</i>)										
p) did your organization work with prior to Indiana's welfare reform in 1995?										

2. With reference to the same organizations, please answer the following questions:

INTERVIEWER NOTE: THESE QUESTIONS REFER TO ORGANIZATIONAL RELATIONSHIPS THAT ARE INDEPENDENT OF R'S ORGANIZATION

MARK A (x) IN RELEVANT COLUMNS.

Which of these organizations...	1	2	3	4	5	6	7	8	9	10
a) does # 1 work with?	---									
b) does # 2 work with?		---								
c) does # 3 work with?			---							
d) does # 4 work with?				---						
e) does # 5 work with?					---					
f) does # 6 work with?						---				
g) does # 7 work with?							---			
h) does # 8 work with?								---		
i) does # 9 work with?									---	
j) does # 10 work with?										---

INTERVIEWER NOTE: TAKE CARD # 7 FROM RESPONDENT.

SECTION IV – IMPACT OF REFORMS

INTERVIEWER NOTE: INFORM THE RESPONDENT THAT THE REMAINDER OF THE QUESTIONNAIRE ENTAILS OPEN-ENDED QUESTIONS. ASK THE RESPONDENT FOR PERMISSION TO TAPE-RECORD THIS PORTION OF THE INTERVIEW. IF PERMISSION IS GRANTED, TURN ON THE TAPE RECORDER.

1. What are the major activities or programs of your organization?

- a)
- b)
- c)
- d)
- e)

2. How do you foresee these major activities as changing in the next few years?

3. How have your major activities changed since Indiana's welfare reform began in 1995?

4. Since Indiana's welfare reform in 1995, how has your organization's caseload changed? (IF CHANGED, ASK FOR A PERCENTAGE CHANGE AND INQUIRE ABOUT CAUSES OF THIS CHANGE)

5. How have the needs of the typical client seeking assistance changed since Indiana's welfare reform began in 1995?

6. Do you have any frustrations with any aspects of Indiana's welfare reform?
If so, what are these?

7. Do you see any major strength with any aspects of Indiana's welfare reform? If so, what are these?
8. How has your organization attempted to influence welfare reform locally and at the state level? (PROBE: Has your organization participated in any protests, rallies, or lobbying efforts against or in favor of recent public policy changes?)
9. In your opinion, what has been the impact of Indiana's welfare reform on your organization?
10. Is your organization involved in any service or program coordination with a for-profit organization? (CIRCLE AS APPLICABLE)

YES	1
NO	2 (GO TO Q.13)

11. How would you say has the frequency or size of your involvement in service or program coordination with for-profit organizations changed since Indiana's welfare reform in 1995?

12. Please describe what you would consider to be the most significant project in your collaboration with a for-profit organization?

13. Is your organization involved in any service or program coordination with a government organization? (CIRCLE AS APPLICABLE)

YES	1
NO	2 (GO TO Q.16)

14. How would you say has the frequency or size of your involvement in service or program coordination with government organizations changed since Indiana's welfare reforms in 1995?

15. Please describe what you would consider to be the most significant project in your collaboration with a government organization?

16. Is your organization involved in any service or program coordination with a non-profit organization including a religious organization? (CIRCLE AS APPLICABLE)

YES	1
NO	2 (GO TO Q.19)

17. How would you say has the frequency or size of your involvement in service or program coordination with non-profit organizations changed since Indiana's welfare reforms in 1995?

18. Please describe what you would consider to be the most significant project in your collaboration with a non-profit organization?

19. To what extent have unions been involved in designing job placement and job training opportunities for your organization's clients? (IF NOT INVOLVED, PROBE: Why have unions not been involved?)

20. Have you faced a situation when there has been demand for your services that you could not meet? (PROBE: For example, you had to turn away clients or refer them elsewhere because you were at capacity or because your organization does not deliver these types of services.) (CIRCLE AS APPLICABLE)

YES	1
NO	2 (GO TO Q.23)

21. To what extent was the demand not met?

22. Why has your organization been unable to meet this demand?

23.To what extent and how has your organization changed its client eligibility criteria since Indiana's welfare reform in 1995?

24. What has been your organization's experience with clients who have exhausted their welfare benefits?

25.What is your organization doing to inform clients of their legal rights to appeal sanctions or seek extensions on welfare benefits that have been exhausted?

26.To what extent has your organization been able to work with employers to hire and train welfare recipients? (PROBE: What type of employers and industries has your organization been working with to hire welfare recipients?)

THANK THE RESPONDENT FOR HIS TIME AND HELP.

END OF INTERVIEW

SECTION V – INTERVIEWER’S OBSERVATIONS

1. How long did the interview take?

_____ HOURS _____ MINUTES

2. What is respondent’s sex?

MALE	1
FEMALE	2

3. What is respondent's race?

WHITE	1
BLACK	2
HISPANIC	3
ASIAN	4
OTHER (PLEASESPECIFY) _____	5

4. Did respondent seem suspicious about the study before the interview?

YES	1
NO	2

5. In general, was the respondent’s understanding of the questions (SELECT ONE)

EXCELLENT	1
GOOD	2
FAIR	3
POOR	4

6. Which were problem questions? (SPECIFY SECTION / PAGE / QUESTION NUMBER)

NONE
_____SECTION_____PAGE_____QUESTION
_____SECTION_____PAGE_____QUESTION
_____SECTION_____PAGE_____QUESTION
_____SECTION_____PAGE_____QUESTION
_____SECTION_____PAGE_____QUESTION
_____SECTION_____PAGE_____QUESTION

7. Please record your interview ID number:

8. Please sign your name here.

9. Please fill in today's date. _____

The Social Service Provider Study
PROTOCOL FOR FIELD STUDY REPORTS
Institute for Family & Social Responsibility
Indiana University

Background

The Community Social Service Study is one part of a larger study, The Impacts of Welfare Reforms on Community Social Services in Indiana, being conducted by the Institute for Family and Social Responsibility (FASR) at Indiana University. It is designed to build on the multi-year evaluation of Indiana's welfare reform being conducted jointly by Abt Associates, the Urban Institute, and Indiana University. The FASR study will provide a complete picture of responses to welfare reform, both by clients and by community social service organizations and local government providers of general assistance.

The FASR Institute study will produce and analyze three major sets of data: a survey of welfare and post-welfare clients in randomized treatment and control groups; a survey of community-based social service organizations; and a survey of Indiana township trustees, who are the providers of the emergency poor relief in the State.

The study of community-based social service organizations, also known as the Community Social Service (CSS) Study, is designed to measure the impact of welfare reforms on the ability of these organizations to meet the human service needs of Indiana's welfare caseload. The study will also generate new ideas and theories that will assist providers, intermediaries, and funders make informed decisions as they pursue strategies that will enhance the State's ability to meet welfare-to-work requirements through existing social service providers and local intermediaries.

The Community Social Service Study Design

The seven counties to be used in this study include: Marion (the county which contains Indianapolis); Howard (the county which contains Kokomo); Lake (the county which contains Gary); Bartholomew (the county which contains Columbus); and the counties of Greene, Floyd, and Harrison (a south-central county and a cluster of two southern rural counties to ensure an adequate number of rural social service providers). Together, these counties will constitute six case studies that are fairly representative of the mix of communities in the State of Indiana.

In each county, a series of structured interviews will be conducted with directors (or executive staff) of social service agencies that provide or coordinate services for current or former welfare recipients. Selection of agencies is based on a modified quota snowball sampling technique, whereby the names of organizations are generated through public documents, e.g., telephone books, United Way service directory listings, and the interview process, and

organizations are selected by the type of organization, i.e., government, non-profit non-religious, non-profit religious, or for-profit, and the organization's service focus, i.e., counseling, intermediaries, transportation, legal, housing, food and health, childcare, and employment and training. This ensures an even distribution of organizations by type and mission. A sample of 275-300 interviews is anticipated.

The CSS study is structured and operating as a field network comprising a core, central staff and a team of indigenous field associates based in the six case-study areas. Each field associate is responsible for data collection in their respective county. Field associates include:

Bartholomew:	Lynn Duggan, Assistant Professor, Labor Studies, Indiana University-Bloomington
Floyd-Harrison:	Sandra French, Associate Professor, Department of Sociology, Indiana University-South East
Greene:	Marylin Klotz, Ph.D. Candidate, Department of Political Science and the School of Public and Environmental Affairs, Indiana University-Bloomington
Howard:	George Richards, Assistant Professor, School of Public and Environmental Affairs, Indiana University-Kokomo
Lake:	Karen Evans, Assistant Professor, School of Public and Environmental Affairs, Indiana University-Northwest
Marion:	Rebecca Van Voorhis, Associate Professor, School of Social Work, Indiana University-Purdue University-Indianapolis.

In addition to data collection, each field associate will produce a case study report. These reports will provide a narrative analysis of the CSS research questions. These reports will be compiled and analyzed along with the interview data by CSS central research staff who will write a cross-cutting appraisal to address the following major research questions:

1. What is the impact of welfare reform on the ability of human service providers to meet the service needs of Indiana's welfare caseload?
2. What is the existing capacity of Indiana's direct service providers and local intermediaries to deliver human services to current and former welfare recipients, especially employment-related services such as transportation assistance and child care support?
3. How have human service providers adapted their services and organizations in order to meet the service needs of welfare clients?
4. How have existing staffing patterns, funding streams, and case loads in these organizations changed as a result of welfare reform?
5. What kinds of employment services do these organizations provide directly and what kinds of employment services do these organizations offer through referrals?
6. What are the barriers that these organizations face in moving clients from welfare-to-work?
7. What are the intra-organizational impacts of welfare reform on changes in caseloads, changes in service demand, changes in the services provided, and changes in funding?
8. What are the inter-organizational impacts of welfare reform on changes in the community service delivery system, changes in the collaboration and cooperation patterns among direct

service providers and between direct providers and local intermediaries, and changes in referral patterns for clients seeking employment assistance?

9. Is the existing infrastructure of social service providers and intermediaries sufficient to assist welfare recipients meet their work requirements?

10. Are there service gaps in employment and training that are not being met by existing providers, as well as coordination gaps in employment and training that are not being met by local intermediaries?

Case Study Reports

In order to assist the central research staff answer these questions, each field associate will produce a field study case report on his/her respective county. These case studies will be used as an input to the central staff who will rely on these studies, interview data, and other sources of information in writing the cross-cutting, synthesizing report for the Family Social Service Administration, the Joyce Foundation, and the Indiana Township Association. We will draw vignettes from the individual case study reports to provide additional human interest and personality. We will also include abridgements of especially informative cases as an appendix to the final report and make the full case studies available for use by the funders and for possible publication.

The case study report, in open narrative format, should explicate the who, what, where, when, and how of what has taken place in the county. The format, content, and organization of these reports is described below.

We ask that your case studies include answers to a set of research questions developed in consultation with Indiana's Family Social Service Administration, The Joyce Foundation, and the Indiana Township Association. These questions, enumerated below, will help ensure a consistent approach to the analysis by standardizing the information gathered across sites. This will give the central research staff the benefit of having an open approach to capturing a wide variety of information within the confines of a consistent analytical framework.

For this reason, we have attached an outline providing the section headings and subheadings the case study report should follow (see Appendix A). We would be grateful if you would make reference at the beginning of appropriate paragraphs to the corresponding section headings and subheadings, each of which must be addressed in the case study reports. A more detailed description of these headings and subheadings is provided below to help focus your case study reports on those issues that must be addressed.

Description of the Setting

Section Background: It is important that each site be seen in its appropriate context. As a result, we are interested to know about the character of the county, its major urban and rural areas, the direction and general impact of economic change, and existing activities that may be underway that may influence the provision, organization, and demand for human services among current and former welfare recipients.

A. Please describe the character of the CSS County? Is it urban, suburban, or rural? What is the racial/ethnic composition of the population? How has the county changed during the past several decades? How have these changes affected the provision, organization, and demand for human services?

B. What is the condition of the local economy? How has it changed during the past several decades? Have there been any major plant closing or plant openings that have altered the county's economic landscape? How have these changes affected the provision, organization, and demand for human services?

C. Have there been any other non-economic influences that might explain local welfare use? These might include natural disasters, changes in local welfare policy, newly elected county administrators, newly developed social service organizations and institutions, etc. Describe these events and how they might influence local economic opportunities for unskilled workers.

D. Have there been any local welfare reform efforts/programs that may explain changes in welfare caseloads? If so, describe these programs and their impact. If not, has there been local opposition to welfare reform that may explain recent trends in local welfare use?

Service Provision

Section Background: This section is designed to give the reader an overview of services available to current and former welfare recipients. Since the type and distribution of services may vary from county to county, it is important to present a general overview of the current social service landscape in your research site. When appropriate, special attention should be given to the role of the township trustee in providing services.

A. Please describe the types of services that are available to current and former welfare recipients? How has the distribution of services changed over time?

B. Have there been any significant changes in the type and distribution of human services since welfare reform began at the state-level in 1995 and at the federal-level in 1997? If so, please describe the nature of these changes, including any changes in the types of organizations that are offering these services. Can any of these changes be attributed to welfare reform at the state- or federal-level?

C. Please describe the extent to which employment and training services are available to current and former welfare recipients. What types of employment and training services currently exist?

D. To what extent are changes in employment and training services linked with welfare reform?

Service Demands

Section Background: This section is designed to provide an overview of the demand for services within your research site, as perceived by social service providers. Emphasis should be given to changes in the demand for services as a result of welfare reform. When appropriate, special attention should be given to the role of township trustees in meeting the demand for services.

A. Please describe the extent to which demand for human services has changed since welfare reform. In general, has demand increased, decreased, or remained constant? What types of services are in greater demand as a result of welfare reform? What types of services are in less demand as a result of welfare reform?

B. Are there unmet service demands? That is, to what extent are social service agencies unable to meet their demand for services **C** especially emergency services such as homeless shelters, food pantries, and energy assistance.

C. In situations where social service agencies are experiencing increased demand for service, how much of this increased demand can be attributed to welfare reform? Moreover, what strategies have social service agencies used to satisfy increased demand for services?

D. Please describe the extent of unmet employment and training services for current and former welfare recipients. How much of this unmet demand for employment and training services has been the result of welfare reform?

Organizational Structure and Collaboration

Section Background: This section focuses on the impact of welfare reform on the internal organization of social service agencies, as well as the impact of welfare reform on the relationships among human service providers. In discussing these issues, please focus on how organizations have adapted (or failed to adapt) to changes in the welfare system and the consequences for these organizations, as well as current and former welfare recipients. When appropriate, special attention should be given to the role of township trustees in the organization/collaboration of services in the study area.

A. Discuss the extent to which social service organizations have experienced changes in their internal organization since welfare reform. That is, have social service organizations experienced intra-organizational change?

B. What is the nature of the intra-organizational change since welfare reform? For example, have organizations developed non-profit or for-profit subsidiaries? If so, why? Does there seem to be a relationship between intra-organizational change and the overall success of an organization to meet the needs of current and former welfare recipients?

C. Discuss the extent to which social service organizations have experienced changes in their external relationships with other organizations since welfare reform. That is, have social service organizations experienced inter-organizational change?

D. What is the nature of the inter-organizational change, including collaborative efforts with other organizations, since welfare reform? For example, have organizations developed new relationships with other service providers and/or funders since welfare reform? Describe the nature of these new relationships. Is there an association between the creation of new organizational ties, including collaborative efforts, and the overall success of an organization to meet the needs of current and former welfare recipients?

Results of Welfare Reform

Section Background: This section is designed to provide the reader a summary of your analysis and to elaborate further on the impacts of welfare reform. Again, when appropriate, special attention should be given to township trustees.

A. How has welfare reform impacted social service organizations and provider networks? In other words, who are the winners and losers within the social service community as a result of welfare reform? Similarly, what impact have provider networks, including local intermediaries and township trustees, had on the ability of social service organizations to meet the needs of current and former welfare clients?

B. What have been the consequences of welfare reform for individual social service providers? That is, are providers positive about recent welfare reforms or do they view them as unsuccessful and punitive? Please elaborate on any feelings that providers may have expressed about burnout because of welfare reform.

C. What impact has welfare reform had on clients (as perceived by social service providers)? **Is the existing infrastructure of social service providers and intermediaries sufficient to assist welfare recipients meet their work requirements? Are there service gaps in employment and training that are not being met by existing providers, as well as coordination gaps in employment and training that are not being met by local intermediaries?**

D. What variables appear linked with successful (and unsuccessful) adaptation of social service organizations to welfare reform? That is, what factors are related to an agency's ability to thrive (or perish) within the new environment of welfare reform? Please note that these factors could be contextual (relating to the county's environment), organizational (relating to a characteristic within an organization), or individual (relating to the abilities of a particular person(s)).

Time Line for Case Study Reports

The original due date for the case study reports was August 31, 1999. Given the late start of data collection in several counties, and the delay in finalizing the protocol for field study reports, the new deadline is November 29, 1999. However, field study reports will be accepted anytime before this deadline. FASR will issue a final report to Indiana's Family Social Service Administration, The Joyce Foundation, and the Indiana Township Association in April 2000. Between this period, FASR, drawing from this case material, will compile results and draft a cross-cutting analysis synthesizing information from the three research components of the larger study. The report will include direct examples of how welfare reform has affected social service providers, drawn from these case studies. An abridged version of the cases will be included and the full case study reports on individual sites will be made available for use by the funders and for possible publication.

OUTLINE FOR CASE STUDY REPORTS

*Institute for Family and Social Responsibility
Indiana University*

I. Description of the Setting

- A. Character of the CSS County
- B. The Outlook for the Local Economy and its Bearing on the CSS County' s Welfare Population
- C. Other Contextual Influences on the County' s Welfare Population and Welfare Reforms
- D. Prior Local Welfare Reform Efforts/Programs

II. Service Provision

- A. Types of Services Provided
- B. Changes in Services Provided Since Welfare Reform
- C. Focus of Employment and Training Services
- D. Changes in Employment and Training Services Since Welfare Reform

III. Service Demands

- A. Changes in Demand for Service Since Welfare Reform
- B. Extent of Unmet Service Demands Since Welfare Reform C especially emergency services, e.g., homeless shelters, food pantries, energy assistance, etc.
- C. Cause(s) of Increase/Decrease Demand for Service Since Welfare Reform
- D. Extent of Unmet Employment and Training Services Since Welfare Reform

IV. Organizational Structure and Collaboration

- A. Extent of Intra-Organizational Change and Collaboration Since Welfare Reform
- B. Nature of Intra-Organizational Change and Collaboration Since Welfare Reform
- C. Extent of Inter-Organizational Change and Collaboration Since Welfare Reform
- D. Nature of Inter-Organizational Change and Collaboration Since Welfare Reform

V. Results of Welfare Reform

- A. Impacts on Social Service Organizations and Provider Networks
- B. Impacts on Individual Social Service Providers
- C. Impacts on Clients
- D. Variables Linked with Successful and Unsuccessful Adaptation of Social Service Organizations to Welfare Reform

I. Description of the Setting: Floyd and Harrison Counties

A. Character

Floyd County is a suburban county located in the Louisville Metropolitan area. In 1996 the population was 69,095, and population density was 435.1 persons per square mile.¹ The largest city in Floyd County is New Albany (population of 36,000+ and the county seat). Other communities in the county are Floyds Knobs, Calena, Georgetown and Greenville.² It is estimated that African Americans are 6.2% of the population of New Albany; thus, the African American population of Floyd County is concentrated in New Albany.

Harrison County is a rural county. In 1998 the population was 34,345³ and population density was 70.1 persons per square mile.⁴ The largest town is Corydon (population 2742). Other towns within Harrison County are Lanesville and Palmyra.⁵ The racial composition of the two counties is as follows:

Table 1: Racial/Ethnic Composition of Floyd and Harrison Counties⁶

	Floyd	Harrison
White Non-Hispanic	95.1%	98.9%
White Hispanic	0.4%	0.4%
African American	4.1%*	0.4%
Native American	0.1%	0.2%
Asian/Pacific Islander	0.3%	0.1%

The population of Floyd County increased at a rate of just under 1.0% per year between 1970 and 1980. Current growth rate is slightly more rapid at 1.3% per year. In recent years the major source of population increase in Floyd County has been migration from Kentucky.⁷ Between 1990 and 1998 the number of households in Floyd County increased from 24,085 to 25,500. Thus, by 1998 total households in Floyd County had already reached the figure projected for 2000. In 1990, 75% of the total were family households, 68.1% headed by men and 31.9%

¹ Purdue University Cooperative Extension Service and Indiana University School of Business. "Status of Indiana Families...Today and Tomorrow. Floyd County 1996 County Profile. <http://www.sicc.org>. 1996.

² Southern Indiana Chamber of Commerce, 1998:3. "Considering Relocating to Clark or Floyd County, Indiana?"

³ Chamber of Commerce of Harrison County, 1999. "Harrison County: We wouldn't trade places with anybody."

⁴ Indiana Fact book, 1996, Section 3:256.

⁵ Chamber of Commerce of Harrison County, 1999.

⁶ Population Estimates Program. Population Division. U.S. Census Bureau. Phone conversation with Statistical Information Staff. September 15, 1999.

⁷ Floyd County Profile, 1996.

headed by women. Currently, this distribution is holding steady, and it is expected to continue to do so through 2010. Between 1992 and 1996 the number of births increased by 4.1% from 893 to 930. Thirteen percent of the 1996 births were to teen mothers as compared to 17.5% in 1990.⁸

In Harrison County between 1970 and 1998 the population increased by 68% (from 20,423 to 34,345), an increase of 2.4% per year.⁹ Between 1990 and 1998 the total number of households increased from 10,618 to 11,600. Births per year declined by 3.8% between 1992 and 1996 from 394 to 379. Of the live births in 1996, 9.8% were to teen mothers, down from 15.8% in 1990 (Purdue University School of Consumer and Family Sciences and Indiana University Kelley School of Business–Harrison County, 1998; U.S. Bureau of the Census, 1990). Thus, while the number of total births per year is increasing in Floyd County, total births are declining in Harrison County. Births to teen mothers are declining in both counties, though percentages are lower in Harrison than in Floyd County.

Table 2 shows 1996/97 educational attainment data for Floyd and Harrison Counties. While dropout rates in grades 7-12 (for reasons other than illness or moving) were somewhat higher in Floyd than in Harrison County, rates of high school graduation, plans for education beyond high school and college completion were also higher in Floyd County. Dropout rates in both counties have declined since 1989/90 (in Floyd County from 3.0% to 1.7% and in Harrison County from 1.9% to 1.2%).

B. Local Economies

In Floyd County 38,220 residents were in the labor force in 1997. The unemployment rate in that year was 3.0% with 1,140 persons unemployed but seeking jobs.¹⁰ Since 1984 labor force participation in Floyd County has steadily increased with corresponding declines in unemployment (See Table 3).¹¹

In Harrison County 17,940 residents were in the labor force in 1997. The unemployment rate in that year was 3.5% with 620 persons unemployed but seeking jobs.¹² Since 1994 the unemployment rate in Harrison County has declined from 5.6% to a current rate of 2.8% (See Table 3).¹³

⁸ Purdue University Cooperative Extension Service and Indiana University School of Business, 1996; Purdue University School of Consumer and Family Sciences and Indiana University Kelley School of Business – Floyd County, 1998.

⁹ Chamber of Commerce of Harrison County, 1999:10.

¹⁰ Purdue University School of Consumer & Family Sciences and Indiana University Kelley School of Business – Floyd, 1998.

¹¹ Purdue University Cooperative Extension Service and Indiana University School of Business, 1996.

¹² Purdue University School of Consumer & Family Sciences and Indiana University Kelley School of Business – Harrison, 1998.

¹³ Chamber of Commerce of Harrison County, 1999.

Unemployment rates ranging from four to five percent indicate that jobs are being created at the same rate that workers are available to fill them. About two percent of the unemployment rate reflects workers who are between jobs; that is, they merely need to be matched to jobs that are already available. An additional two percent of the unemployment rate reflects displacement by changes in the structure of the labor market and indicates a need for retraining prior to reemployment.¹⁴ Thus, in 1994, prior to the beginning of welfare reform in Indiana, supply and demand for labor had already equalized in both counties. Since that time demand has outpaced supply. If the necessary training in life and jobs skills is available to persons leaving welfare, jobs should be available.

Table 2: Educational Attainment in Floyd and Harrison Counties¹⁵

	Floyd	Harrison
Dropout Rates	1.7%	1.2%
High School or Above	73.0%	71.0%
High School Planning Higher Education	69.0%	62.0%

Table 3: Unemployment Rates in Floyd and Harrison Counties¹⁶

	Floyd	Harrison
1985	7.2%	---
1986	6.1%	7.0%
1995	5.1%	---
1996	---	4.3%
1997	3.0%	3.5%
1999	3.1*%	2.8%

Table 4 shows changes in occupations of employed persons aged 16 and over in Floyd and Harrison Counties from 1980 to 1990. In both counties, percentages employed in managerial and professional fields, technical, sales and administrative support, service occupations, and precision production, crafts and repair fields increased, though increases in managerial and professional fields were greater in Floyd County while increases in the other three categories were more substantial in Harrison County. Employment as operators and fabricators declined in both counties, though a larger percentage of Harrison County employed persons held these jobs by 1990 than was so in Floyd County. In Harrison County, percentage employed in farming, forestry and fishing declined, while in Floyd County there was a modest increase. However, by

¹⁴ Song, Kyong M. "Low unemployment means businesses can't be selective." *The Courier Journal*. August 11, 1996

¹⁵ Purdue University School of Consumer & Family Sciences and Indiana University Kelley School of Business – Floyd-Harrison, 1998.

¹⁶ Floyd County Profile, 1996; Chamber of Commerce of Harrison County, 1999a; Purdue University School of Consumer & Family Sciences and Indiana University Kelley School of Business – Floyd-Harrison, 1998.

1990 only 1.0% of employed persons in Floyd County held jobs in this category compared to 3.9% in Harrison County. Nonetheless, there is considerable commuting between the two counties, particularly from Harrison to Floyd (over three times as many commute from Harrison to Floyd as from Floyd to Harrison).¹⁷

Table 4: Occupations of Employed Persons Aged 16 and Over in Floyd and Harrison Counties¹⁸

	Floyd	% Change 1980-90	Harrison	% Change 1980-90
Managerial & Professional	7316	46.6%	2208	39.5%
Technical, Sales, & Admin. Support	9345	17.0%	3991	55.9%
Service Occupations	3606	10.6%	1722	48.2%
Farming, Forestry, & Fishing	308	16.2%	539	-14.6%
Precision Production, Craft & Repair	3923	2.9%	2117	25.0%
Operators, Fabricators	5808	6.1%	3357	-2.3%

By 1996, 24% of Floyd county's work force was employed in services, 22% in manufacturing, and 17% in retail trade.¹⁹ Hence, during the 1990s, employment in services and manufacturing increased, while jobs in retail trade held steady. During that same year in Harrison County, 19% were employed in services, 18% in manufacturing and 20% in retail trade.²⁰ Hence, during the 1990s, employment in services increased, while employment in manufacturing and possibly retail trade declined.

Currently, major employment sectors in Floyd County are manufacturing, retail trade and government. Major employers include Floyd Memorial Hospital, Beach Mold & Tool, Discount Labels, Pillsbury Company and Indiana University Southeast.²¹ Wolke Paint Company recently left Floyd County, moving to a new industrial development area in Harrison County. However, the New Albany Redevelopment Commission recently approved \$1,450,000 for sewer improvements in a 40 acre expansion of Grant Line Industrial Park. This expansion will house a yet-to-be-named new industry that will employ up to 600 persons.²²

In contrast, and in keeping with its tradition of agriculture and wood working, Harrison County has placed a strong emphasis on historic preservation and park and forest development. These

¹⁷ Indiana Factbook, 1996.

¹⁸ Indiana Factbook, 1996: 257, 329.

¹⁹ Purdue University School of Consumer & Family Sciences and Indiana University Kelley School of Business-Floyd, 1998.

²⁰ Purdue University School of Consumer & Family Sciences and Indiana University Kelley School of Business-Harrison, 1998.

²¹ Southern Indiana Chamber of Commerce. "Considering Relocating to Clark or Floyd County, Indiana?" 1998.

²² Hershberg, Ben, Z. "Redevelopment unit passes bond issue for sewer project." *The Courier Journal*. November 25, 1999.

emphases have resulted in recently developed tourism industry. Corydon, the county seat, is included in the National Register of Historic Places. In addition, a 550 acre county park and the Harrison-Crawford State Forest have been developed. The Chamber of Commerce and the Harrison County Convention and Visitors Bureau with the cooperation of local businesses, historians, elected officials and others made a concerted effort during 1998 to attract tourists. In that year over 300,000 persons visited the forest and park, over 114,000 visited historic landmarks, 145,000 visited Caesars gaming vessel, and 140,000 explored caves within the county. Annual income from tourism was \$21,000,000, and 690 persons were employed full time in tourism even prior to the opening of Caesars.²³

In addition to Caesars Indiana, another company new to Harrison County is Wolke Paint Company, which recently moved from Floyd County to the new industrial development in Harrison County, a tract of 84 acres of which 30 acres were sold in 1998. Other major employers in Harrison County are Harrison County Hospital, which opened a new Rehabilitation Center in 1999; Exide Corporation, employing 131 unionized laborers; Keller Manufacturing Company, employing 525 non-unionized workers; Norstram Veneers, employing 135 non-unionized workers; Oxford Automotive, employing 297 unionized workers; Schmidt Cabinet Company, employing 80 unionized workers; Tower Automotive, employing 375 unionized workers; and Tyson Food, Inc., employing 615 unionized workers. The recent strike at Tyson Food, Inc. was settled.²⁴

In 1996, the average wage rate per job was higher in Floyd (\$22,209) than in Harrison County (\$19,511). Floyd County was 44th out of 92 counties in average wage while Harrison County ranked 77th in 1993. In Floyd County median household income was \$32,939 compared to a median of \$31,325 in Harrison County.²⁵ Manufacturing wages in Harrison County range from a low of \$6.50 per hour to a high of \$17 per hour for skilled labor.²⁶ As an estimate of pay rates in entry level service jobs, we obtained information about pay rates at Wendy's. Pay varies by location; rates are lowest in Salem (\$6-\$7 per hour) and highest in Clarksville (\$7-\$8 per hour). Rates in Corydon are just higher than in Salem, and in New Albany they are minimally lower than in Clarksville.²⁷ Table 5 shows average earnings by type of job in the two counties in 1996.

²³ Chamber of Commerce of Harrison County, 1999.

²⁴ Ibid.

²⁵ Purdue University School of Consumer & Family Sciences and Indiana University Kelley School of Business-Floyd...Harrison, 1998.

²⁶ Chamber of Commerce of Harrison County, 1999a.

²⁷ Wendy's Old Fashioned Hamburgers. Phone Conversation. October, 1999.

Table 5: Average Earnings by Job Type in Floyd and Harrison Counties²⁸

	Floyd	Harrison
Manufacturing	\$30,686	\$30,704
Services	\$20,132	\$13,359

Despite low rates of unemployment in both counties, some residents live in poverty. In 1993, 11% of the residents of Floyd County and 10.8% of those in Harrison County were poor. Among persons in poverty, 38.9% in Floyd County and 38.0% in Harrison County were children under age 18. In 1997, 639 families and 1,527 individuals in Floyd County (1.9% of the population) and 199 families and 514 individuals in Harrison County (1.3% of the population) were on welfare. Nonetheless, since welfare reform was initiated in Indiana, the numbers receiving assistance have declined in both counties (Purdue University School of Consumer & Family Sciences and Indiana University Kelley School of Business –Floyd...Harrison, 1998).

Table 6: Public Assistance in Floyd and Harrison Counties, 1996-1997²⁹

	Floyd			Harrison		
	1996	1997	% Change	1996	1997	% Change
TANF	777	639	-17.8%	220	199	-9.5%
Unemployed Parent Program	18	11	-38.9%	16	8	-50.0%
Food Stamps	5798	4610	-11.3%	2087	1903	-8.8%

C. Other Contextual Influences

Natural Disasters

The flood of 1997 had a detrimental affect on families and businesses in Harrison County. The drought of 1999 affected both Floyd and Harrison Counties; information as to its full economic impact is not yet available.

According to a Purdue University/Indiana University study, areas that may pose problems to persons leaving welfare in Floyd County include lack of affordable housing, lack of public transportation, lack of medical benefits in many jobs, low wages in many jobs, lack of sufficient quality child care, lack of second and third shift child care, and lack of bilingual services.³⁰ In Harrison County, problem areas include: lack of affordable housing, lack of public

²⁸ Purdue University School of Consumer & Family Sciences and Indiana University Kelley School of Business, Floyd – Harrison, 1998.

²⁹ Purdue University School of Consumer & Family Sciences and Indiana University Kelley School of Business, Floyd – Harrison, 1998.

³⁰ Purdue University School of Consumer & Family Sciences and Indiana University Kelley School of Business, Floyd – Harrison, 1998.

transportation, substandard housing, lack of quality child care, lack of child care for second and third shifts, lack of affordable health care, and lack of bilingual services.³¹

Newly developed social services organizations help to address some of these needs. Of the social services organizations included in this study, six were founded during the 1990s, five of them prior to and one after Indiana's welfare reform began. Two of the organizations founded prior to 1995 provide meals, and one of these also provides clothing. Two others provide health care and elder care, with the most recently founded one (in 1994) providing a range of additional services as well, i.e., food, day care, after school care, services for victims of abuse, tutoring, parenting classes, transportation, job search and placement assistance, employment and life skills training, transportation and community development. The fifth organization emerged in 1994 just prior to welfare reform; it provides day care, after school care and tutoring and literacy training. The sixth organization, which was founded in 1996, is a multi-service organization. Services include: food, day care, after school care, assistance for abused women and children, shelter for homeless persons, affordable housing development, housing search assistance, assistance for migrants and refugees, family counseling, parenting classes, alcohol and drugs prevention/treatment programs, job search and placement assistance, life and job skills training, clothing, community development and business and economic development. The organizations that were founded just before and shortly after welfare reform began in Indiana offer more services that are directly related to assisting persons who are making the transition from welfare to work. That is, all three of these most recently founded organizations provide educational and/or job training programs, day care and after school care. Day care and after school care were noted to be areas of shortfall in both counties, while shortages of educational and job training programs were reported to be more severe in Harrison County in the Purdue University/Indiana University study.³²

More recently, in April, 1999, a new 19 unit community of transitional apartments were constructed, housing 67 persons. Tenants may live in the housing for up to two years, must have jobs and pay 30% of their wages as rent. Services include classes on life skills and assistance in finding child care. The new housing was funded by the U.S. Department of Housing and Urban Development and by local businesses and charities.³³ Haven House also opened a new shelter for homeless persons in Jeffersonville in September, 1999.³⁴ In addition, an expansion of Spring Meadows Mobile Home Park in Harrison County will begin next summer. An additional 188 units are planned.³⁵ One of the areas of shortfall in services in both counties is provision of affordable housing. The new apartment complex, homeless shelter and expansion of the mobile home park will address some of that need.

³¹ Ibid.

³² Ibid.

³³ Green, Ed. "Housing project opens for Jeffersonville's homeless." *The Courier Journal*. April 11, 1999

³⁴ "Haven House gets donated computers." *The Courier Journal*. August 29, 1999. B1.

³⁵ Schneider, Grace. "Conditions put on mobile home park." *The Courier Journal*. November 25, 1999.

A housing organization also recently received a donation of 33 computers from Middleton & Reutlinger, a Louisville law firm, to use in job training, job placement and school projects. Another area of shortfall in services, particularly in Harrison County, is provision of job training and job placement services (to be discussed later). This addition to the computer facilities will help to address the shortfall. In addition, three organizations based in Harrison County that were included in this study now provide life and job skills programs.

Since the time of Indiana's welfare reform, public transportation organizations have made bus services regularly available to residents of New Albany. This has eased the difficulty of obtaining affordable transportation for welfare -to-work clients in New Albany though the service is not available for second and third shifts.

Finally, revenues from Caesars Indiana are increasing the funds available in Harrison County for social services. Harrison County plans to use 10% of the revenues for human services, 17% for education and 5% for economic development.³⁶

D. Prior Local Welfare Reform Efforts

Both in the state of Indiana and locally the need for affordable child care has been highlighted as one that must be met if welfare reform is to succeed. The state of Indiana will use money accumulated since federal welfare reform began in 1996 to offset child care costs for 6,400 low income families.³⁷ This has resulted in increased efforts locally to add child care services within existing organizations and to expand the services where they have already been provided (see discussion in section II on service provision).

An additional initiative regarding day care has been taken in Floyd County. Small unlicensed daycare facilities in Floyd County will be required to meet five health and safety standards in order to continue to receive federal payments for low income children. The standards were approved by the Floyd County Step Ahead Council, the coordinating group for social services in the county. Floyd County receives \$1.8 million per year in Federal money to subsidize child care.

Although there was discussion of invoking even more standards, it was feared that adding more regulations at this time might force some of the facilities out of business at a time when demand exceeds supply. There are currently 2,000 day care spaces available in Floyd County, but there are at least 1,000 additional children who need care. In addition, small day care agencies often provide second and third shift care that is unavailable in most large centers. One of the new regulations that unlicensed day cares must meet is training of staff in CPR and first aid. Free training in these areas was provided by Community Coordinated Child Care.

In 1997, Harrison County had only one licensed day care center and 24 unlicensed homes serving a total of 444 children. There was an estimated need for care for 1,269. In 1998, when

³⁶ Schneider, Grace. "Casino loot brings dispute." *The Courier Journal*. May 23, 1999. Sec. I, page, 1ff.

³⁷ "The Welfare Watch." *The Courier Journal*. September 5, 1999. D2.

Guaranteed Child Care and Transitional Child Care were combined in the Child Care and Development Block Grant Program, subsidized child care services became available in Harrison County.³⁸

As noted above, another area of shortfall in services associated with transitions from welfare to work is affordable housing. A new executive director of the housing authority in New Albany was appointed in April, 1999. She and her new management team are working with the New Albany police and residents of Vance and Crystal Courts to reduce crime rates. The police have begun patrolling the city's public housing projects on foot on an overtime basis with funding coming from the housing authority. A director of resident initiatives has been appointed, and residents will get parking permits and assigned spaces. Traffic patterns will be changed and visitors will be required to get parking stickers in an effort to reduce the presence of drug dealers in the complexes.³⁹ While this does not increase number of affordable units, it should increase the safety in existing affordable units.

Harrison County initiated a leadership program that is offered annually to train a group of citizens in leadership skills. This is consistent with the return of responsibility to the local level in welfare reform. Donations from corporations and grants from a Harrison County Community Foundation offset the costs of the program.⁴⁰

Respondents in this study were asked how their organizations had tried to influence welfare reform locally and at the state level. Fifty percent of the respondents indicated that no one in their organization had attempted to influence welfare reform at either level. One respondent who had not attempted to influence reform expressed a disinclination to work with more main stream social services organizations, indicating the opinion that they operated much like for-profit organizations. However, 43% of the respondents did report attempts to influence reform locally. Most often they noted participation in local coalitions, such as Step Ahead, or working with their chamber of commerce to adapt the policies to better meet local conditions.

Twenty-one percent of the respondents reported having tried to influence welfare reform at the state level. For example, one of these respondents presented a model for IMPACT at the state level and has worked for a change of focus from job training to long-term job support services.

Respondents who reported no attempts to influence welfare reform tended to represent organizations providing single or limited numbers of services, such as free meals. Often these organizations were run by volunteers. In addition, respondents representing organizations in which local services are elder care or health care were less apt to report attempts to influence welfare reform. It may be that they view their services as less directly linked to welfare-to-work transitions, and are less inclined to attempt to influence reform policies. In addition, the respondent in one organization reported that employees of that organization were not permitted to engage in efforts to influence welfare reform policies. In a final relatively new and rapidly

³⁸ Purdue University School of Consumer & Family Sciences and Indiana University Kelley School of Business, 1998.

³⁹ Hershberg, Ben Z. "New Albany complex plagued by crime fears." *The Courier Journal*. August 1, 1999. Sec.A, page.15.

⁴⁰ Chamber of Commerce of Harrison County, 1999.

expanding organization it appears that time and energy are fully expended in attempts to keep pace with internal growth; hence, no efforts have been made to participate in local and statewide efforts to influence reform.

II. Service Provision

A. Types of Services Provided

Table 7 shows the current distribution of services available in Floyd and Harrison Counties. Reductions of services, as well as plans to add services in each area, are also indicated in Table 7. For all services, reductions have been modest with no more than two organizations eliminating a service in any given area. In many cases, reductions are offset through plans of other agencies to add the service (i.e., food assistance, clothing provision, housing for the homeless, housing search assistance, immigrant/refugee assistance, and parent education).

Availability of other services (elder care, mental health treatment, life skills training, business and economic development and affordable housing development) is likely to increase in the future in that there have been no reductions in these services and one or more agencies have indicated plans to add the services in the future.

However, in the areas of child care, preschool and child care support, after school activities, free/subsidized transportation, utility assistance, prevention of teen pregnancy, alcohol/drug prevention and treatment, tutoring and literacy, employment training and education, and job search and placement assistance reductions have not been offset by plans by other agencies to add the programs. Many of these services are critical to the integration of welfare and former welfare recipients into employment settings and to their attainment of economic independence. Child care, after school activities, transportation, employment training and education, and job search assistance and placement are of particular importance.

B. Changes in Services Provided Since Welfare Reform

Respondents were asked how the major activities of their agencies had changed since Indiana's welfare reform began in 1995. A summary of changes reported in each service area follows.

Food Assistance - The respondent in one agency reported a reduction in services associated with Food Stamps. Many of their welfare-to-work clients have lost food stamp eligibility.

Clothing - No changes in services were reported as being linked to welfare reform in Indiana or at the federal level.

Free/subsidized transportation - The director of one agency reported an addition of transportation services as a result of welfare reform.

Utility assistance - An increase in the amount of utility assistance provided as a consequence of welfare reform was reported in one agency. However, in a second agency amount of utility assistance had been reduced.

Table 7: Provision of Services

	Provides Service	Makes Referrals	Plans to Offer	No Longer Offers	Never Offered
Food Assistance	46.4%	35.7%	3.6%	3.6%	14.3%
Childcare	28.6%	28.6%	0.0%	3.6%	35.7%
After School	28.6%	25.0%	0.0%	3.6%	42.9%
Elder Care	28.6%	25.0%	14.3%	0.0%	28.6%
Clothing	42.9%	32.1%	3.6%	3.6%	21.4%
Transportation	32.1%	32.1%	0.0%	3.6%	32.1%
Utility Assistance	17.9%	35.7%	0.0%	3.6%	42.9%
Housing	14.3%	35.7%	7.1%	3.6%	35.7%
Housing Search	10.7%	42.9%	7.1%	3.6%	35.7%
Migrant/Refugee	7.1%	32.1%	3.6%	3.6%	46.4%
Abuse	39.3%	0.0%	0.0%	0.0%	42.9%
Teen Pregnancy	17.9%	35.7%	0.0%	3.6%	42.9%
Family Counseling	46.4%	32.1%	0.0%	0.0%	28.6%
Parent Education	50.0%	14.3%	7.1%	3.6%	28.6%
Alcohol/Drug	28.6%	32.1%	3.6%	7.1%	28.6%
Mental Health	28.6%	35.7%	3.6%	0.0%	35.7%
Medical	35.7%	25.0%	0.0%	0.0%	42.9%
Tutoring/Literacy	32.1%	32.1%	3.6%	7.1%	25.0%
Life Skills	46.4%	35.7%	3.6%	0.0%	21.4%
Employment Training	50.0%	28.6%	0.0%	3.6%	21.4%
Job Search/Placement	53.6%	28.6%	0.0%	3.6%	21.4%
Community Development	28.6%	28.6%	0.0%	0.0%	42.9%
Business & Economic Dev.	14.3%	32.1%	3.6%	0.0%	50.0%
Affordable Housing	10.7%	35.7%	7.1%	3.6%	35.7%

Housing for homeless - Respondents reported that there currently is no shelter for the general homeless population of families and individuals in Floyd County. Homeless persons/families are transported to a homeless shelter in Clark County. It was reported that lack of housing for the homeless is becoming a more acute problem due to increases in numbers of transients.

Housing search assistance - Caseloads for assistance to locate affordable housing have increased by 60% since welfare reform began. An estimated 60 -100 more units are needed to meet the current demand. Another respondent attributed her agency's reduced caseloads to loss of low income housing in the area. This, she believes, has forced some poor persons/families to move to other counties.

Migrant/Refugee assistance - No changes in services for migrants and refugees were reported as being linked to welfare reform.

Childcare, preschool & childcare support - In one agency services were added to an already existing child care program. The added services included educational and cultural enrichment services (field trips to museums, provision of additional games, books and computers, and a parenting skills program), walk-in child care for those who need to go to job interviews; and expanded hours of operation. The director of this agency is working with major employers in the area to make child care available on a 24 hour basis. The respondent additionally reported that training programs for working with special needs children have been added for the staff. The director of a second agency reported that her agency had opened a child care center with a capacity to care for 92 children. In contrast, two agencies reduced the services provided in their programs: a Head Start Program and a youth services program.

After school activities - In one agency a child care program was expanded to include an after school program. A second extended a preventive/interventive juvenile program in the schools to include home visits, family services and a youth volunteer program.

Elder care - A director of a hospice program reported that due to changes in Medicaid regulations, clients are in worse condition and closer to death when admitted than was so previously. While length of stay is shorter, more aggressive treatments are required. Caseload has declined because fewer physicians make referrals to the hospice.

Abused women or children - The respondent at one agency reported an increase in attention and resource allotments to protection of children at risk of abuse or neglect. For many, the transition from welfare to work is a stressful one. High stress levels increase the risks of abuse and neglect. Lack of access to health care and of affordable child care and after school programs increase the risk of neglect. This respondent reported an increase in cases of child abuse/neglect since welfare reform began.

Prevention of teen pregnancy - One agency has expanded its prenatal and family planning program in response to welfare reform.

Family counseling - As noted earlier, one agency expanded a school based prevention/intervention program to include home visits and family services. The respondent noted that since welfare reform, home life is less structured. Consequently, youths test limits with adults more than was previously so. A second agency has also increased its home-based services. In a third agency, case management services have been expanded to address the larger number and more diverse needs of people leaving welfare since the beginning of reform. These later clients tend to have more severe problems and fewer skills due to backgrounds of generational welfare.

Parent education - At one agency a parenting skills program was added as an extension of child care services. Because of an increase in numbers of special needs children, this same agency added training programs for staff to improve the agency's ability to address the needs of these children.

Alcohol/drug prevention/treatment - No changes in alcohol/drug prevention and treatment programs per se were specified as linked to welfare reform. However, a number of respondents

did note that those leaving welfare since reform have more extensive and diverse problems than was so prior to reform. In response, these agencies have broadened and individualized case management.

Mental health treatment - No changes in mental health treatment services were specifically noted to be linked to welfare reform. One respondent noted that in his/her agency they have tried to improve the efficiency of their program to offset funding cuts despite stability in size of the mentally ill population. Further, as noted above, a number of respondents reported broadening and individualizing case management in order to better address the more extensive and multiple needs of persons leaving welfare since reform.

Medical treatment - At one agency a prescription drug program was added to assist clients who lacked medical insurance coverage due to leaving welfare. A second agency expanded the proportion of efforts devoted to Medicaid patients as a result of increases in Medicaid programs for children since welfare reform. In contrast, a third agency eliminated an immunization program on the grounds that these are now provided by physicians. However, respondents at two other agencies expressed extreme distress regarding changes in Medicaid guidelines. In one of these agencies, amount of time spent on patients, the number of visits per patient, and length of hospital stays have been reduced because Medicaid no longer covers the costs of services previously provided. In the second of these agencies, a hospice, clients are closer to death and thus have shorter lengths of stay but require more aggressive treatments while there. This respondent also indicated a decline in numbers of physician referrals since welfare reform.

Tutoring and literacy programs - One agency added a tutoring program and another added GED training in response to welfare reform.

Life skills training - Three respondents reported that their agencies had added more classes in life skills to help welfare-to-work clients overcome barriers to employment. A fourth agency initiated a new life skills program.

Employment training and education - Respondents in four agencies reported the addition of more training for employment and job skills classes. One agency added a computer lab, and others that already had computer labs increased the emphasis placed on acquisition of computer skills so that clients can better meet the requirements of many jobs today. As one respondent noted, "The skills of welfare recipients haven't changed, but skill demands have changed." In one agency the goal is to provide office skills training necessary to enter jobs with benefits that pay \$7.50-\$9 per hour. Responses regarding employment training questions indicated this service area to be one of particular emphasis with respect to welfare reform. In one agency the target group for employment training was shifted from disabled persons to welfare-to-work clients. Employment training efforts appear to be fruitful. In one agency, the caseload of welfare-to-work clients decreased from 1,000 to 465 as a result of employment training.

Job search and placement assistance - One agency has increased the emphasis placed on job search and referral services, and another has added a job placement program. A third added a computerized employment search service. Clients who are able to do so are encouraged to be

self-directed in use of this technology, freeing staff to assist those who are unable to use the system independently.

Community development - One respondent reported an increasing focus within his/her agency on integration of TANF and food stamp recipients into the community rather than only into employment settings. Because responsibility for service delivery has been returned to local areas, there is increasing need for integration of social services and the community. To achieve this, the agency has increased its collaborative efforts within the community at large.

Business and economic development - Several respondents indicated that their agencies are increasingly coordinating their efforts with the private sector. However, the respondent at one agency reported cutting its business development program.

Affordable housing development - No changes in programs for development of affordable housing were reported to be linked to welfare reform.

C. Focus of Employment and Training Services

Employment and training services available to current and former welfare recipients in Floyd and Harrison Counties include: life skills training, job skills development with an emphasis in some agencies on computer skills, job search and referral services, and GED and literacy training. Beyond this, some agencies have increased their collaborative efforts with the business community.

D. Changes in Employment and Training Services Since Welfare Reform

Four agencies added more job skills training classes in response to welfare reform. A number of agencies have placed high priority on development of computer skills. One agency added a new computer lab and others have increased the number of computer skills classes offered. One respondent commented that while skills of welfare recipients haven't changed, skills demanded in the labor market have. In response to welfare reform one agency set as its goal to provide the office skills training necessary for clients to enter benefit carrying jobs with pay ranging from \$7.50 to \$9.00 per hour. Responses to employment training questions indicate that this service area has received particular emphasis as a consequence of welfare reform. Some evidence suggests that employment-related services have been effective in reducing caseloads. One agency reported a decrease from 1000 to 465 welfare-to-work clients as a result of employment-related training.

III. Service Demands

A. Changes in Demand for Service Since Welfare Reform

Respondents were asked how the amount of demand for services has changed since Indiana's welfare reform began in 1995. Of the 28 agency directors that participated in the study, 32.1%

reported a substantial increase in demand for their agencies' services, 35.7% reported a moderate increase, 21.4% reported no change in demand, 3.6% reported a moderate decline and 3.6% a substantial decline in demand for services. Clearly, there are a range of factors that may affect demand for social services. Hence, respondents were also asked about the affects of a variety of community, state and federal factors on demands for services in their agencies. Responses are summarized in Table 8.

Table 8: Factors Affecting Demand for Services

	Increased	No Change	Decreased	Unknown
Local Economic Conditions	42.9%	21.4%	28.6%	7.1%
Unemployment	32.1%	32.1%	32.1%	3.6%
Inflation	21.4%	46.4%	10.7%	21.4%
Lack of Transportation	57.1%	17.9%	7.1%	7.1%
Lack of Affordable Childcare	53.6%	25.0%	3.6%	7.1%
Major Employer Leaves	7.1%	75.0%	0.0%	10.7%
Major Employer Enters	21.4%	46.4%	14.3%	7.1%
Federal Government Cutbacks	42.9%	28.6%	14.3%	14.3%
State Government Cutbacks	28.6%	50.0%	7.1%	10.7%
Local Government Cutbacks	14.3%	67.9%	3.6%	10.7%
Change in Population Comp.	53.6%	35.7%	0.0%	10.7%
Decline in Local Edu. & Train.	10.7%	60.7%	10.7%	10.7%
Increase in Local Edu. & Train.	14.3%	60.7%	3.6%	14.3%

None of the factors considered in Table 8 decreased demand for services in a majority of the agencies. However, three factors (lack of transportation, lack of affordable child care and change in population composition) did increase demands in a majority of the agencies. As noted earlier, public transportation is available only to residents of New Albany (and then not for second and third shifts). Substantial short falls in availability of affordable child care in both counties were also noted earlier. While racial composition of the populations of Floyd and Harrison Counties has not changed a great deal in recent years, a fairly substantial number of respondents did mention that their clients had become more diverse in terms of services needed and, in general, needs had become more extensive than was so in the past.

Respondents were also asked to explain how their organizations' caseloads had changed since Indiana's welfare reform began. In 54% of the organizations an increase in caseloads was reported, in 25% there was no change, and in 21% caseloads declined. Seven agencies in which caseloads had increased place high priority on life and job skills services. Two agencies prioritizing child care reported substantial increases in caseloads as well. Caseloads also increased in organizations providing elder care and youth and after school programs. While caseloads increased markedly in organizations providing medical and health care services, respondents attributed some of this heightened demand to changes in Medicaid guidelines. Caseloads also increased substantially in organizations providing coordination of services. This was linked to the increasing complexity and diversity of needs among persons leaving welfare

since reform began. A 60% increase in caseload was reported in an agency providing a homeless shelter, and the respondent noted that increasing numbers of homeless are working poor, possibly as a consequence of welfare reform. The caseload of an additional agency increased as a result of an increase in the number of counties served from four to seven.

Of the organizations in which no changes in caseloads were reported, three provide free meals, one provides self-help programs, another affordable housing and a final agency provides services for the mentally ill. While demand for affordable housing has increased, insufficient units to meet demand keeps caseloads steady. Likewise, the percentage of the population with mental illnesses remains fairly stable –at about 20%; hence caseloads tend to remain constant. A final organization that provides counseling, medical care and housing was unable to meet the increasing demands for its services due to funding cutbacks and subsequent loss of staff. It has, however, struggled to maintain stable caseloads.

Organizations with declining caseloads included a hospice and an agency providing home health care and mental health care. In these two organizations, reductions in caseloads were due to changes in Medicaid guidelines. Respondents in these organizations reported that demands for their services cannot be met as a result. In contrast, reductions in caseloads in another organization occurred when physicians began to provide immunizations. Other areas where organizations were forced to reduce their caseloads due to lack of resources were Head Start, energy assistance, youth services and business development. In an agency providing nutrition education and food reductions in caseloads were attributed to an improved economy.

The remaining organizations attributed their reductions in caseloads to welfare reform. In one of these there was a 35% reduction and in another a 50% decline in AFDC/Food Stamp clients. Respondents attributed the decline to life and job skills training programs that emerged in response to welfare reform. A respondent from an organization that provides meals and clothing attributed their 50% decline in caseload to increased employment through welfare reform.

B. Extent of Unmet Service Demands Since Welfare Reform

Respondents were asked if there had been a demand for their services that they were unable to meet. Only 29% reported no unmet demand. Among the 71% that had been unable to meet some demands for services, 50% cited housing as an unmet demand. One respondent noted that their shelter license limits the number of youths that can be housed. Another respondent said that they were unable to accept mothers under 18 due to a legal guardianship issue. Others reported a lack of housing for women with substance abuse problems, a need for a halfway house for chemically dependent persons, and long waiting lists for all shelters and subsidized housing. One respondent reported that his/her agency was forced to turn away as many as they served at the homeless shelter, and another reported having the largest waiting list for public housing in the state. Affordable housing, as well as housing for persons with special needs, is clearly an area of major shortfall in Floyd and Harrison Counties.

Twenty-five percent of respondents reporting unmet demands cited medical needs. One respondent reported 5-10 requests per week for sick care (which his/her agency does not provide) as indicative of a need for a clinic operated by nurse practitioners. Shortfalls in medical care for

terminally ill children and psychiatric patients were noted by others. Additionally, due to lack of funds, 478 wait for home care assessment. Finally, demands for service cannot be met when patients' levels of need are higher than levels of payment allowed under Medicaid.

Transportation was also cited by 25% of respondents as an unmet demand. One of these respondents explained that car repair loans for TANF/Food Stamp recipients are capped at \$500 per year, an inadequate amount given the condition of many of the clients' vehicles. The lack of a homeless shelter in Floyd County heightens the need to address the shortfall in transportation funding.

Other unmet demands included child care (for which there are long waiting lists), utilities assistance, and job placement services. A number of respondents contended that demands for services among TANF clients were underestimated at the state level. The result is lengthy waiting lists for many services. These respondents also argue that IMPACT support levels should be raised to TANF levels.

C. Welfare Reform as Causes of Increased Demand

Respondents were asked to describe how the needs of a typical client seeking assistance had changed since Indiana's welfare reform began. Thirty-two percent indicated that lack of access to medical care is an increasingly common problem among their clients. As a result, clients have more severe medical conditions and require more extensive treatment once they do obtain medical help. Twenty-nine percent of respondents noted an increasing need for affordable child care and transportation among their clients. One respondent noted that many welfare-to-work clients are of the "sandwich generation"—they not only need care for dependent children, but also for dependent elders, when they enter the labor force.

Other client needs noted as not being adequately met since welfare reform include: coordination/case management services, life skills and job skills training, child protection from abuse and neglect, youth programs, affordable housing, clothing and food. One respondent summarized shortcomings in meeting client needs by noting simply that, "Clients need to not lose their benefits because they go to work." Another respondent suggested that clients need more financial help. It was also noted that clients need more time to make the transition because those leaving welfare since reform have deeper seated and more extensive problems than those who left earlier. A final respondent stated the need to recognize that some clients' problems are so deep-seated (for example, mental illness) that they are unable to hold jobs.

Agencies may use a range of strategies in attempts to satisfy increased demands for services. Among these strategies are: increasing caseloads, reducing caseloads, expanding eligibility criteria, tightening eligibility criteria, increasing levels of service, decreasing levels of service, adding programs and eliminating programs. Table 9 shows how type of change in demand for service affected changes in service delivery.

Table 9: Relationship between Service Demand and Service Delivery

	Increased Demand	Reduced Caseload	Expanded Caseload	Tighten Eligibility	Increase Eligibility	Reduce Services	Add Services	Eliminate Programs	No Change in Programs
Substantial Increase	89%	11%	44%	22%	100%	11%	89%	0%	0%
Moderate Increase	60%	20%	30%	20%	30%	0%	50%	40%	10%
No Change	0%	33%	17%	33%	33%	0%	50%	17%	50%
Moderate Decrease	0%	0%	0%	0%	0%	0%	0%	0%	100%
Substantial Decrease	0%	0%	0%	0%	0%	0%	100%	0%	0%

In most agencies, where an increase in demand for services was reported, attempts to meet the increased demands were met by adding programs and increasing caseloads. Relatively few of these agencies reduced caseloads, tightened eligibility requirements, or reduced services, and none of them eliminated programs. While a majority of agencies in which a moderate increase in demand for services was reported, these agencies were less likely than those that experienced substantial demands to increase services or add programs. Instead, they were more likely than those with substantial increases to reduce caseloads, eliminate programs or to make no changes. In those agencies where no changes in demand for services were reported, the most frequent responses were to add programs or to make no changes. They were, however, more likely than organizations experiencing increases, to reduce their caseloads and tighten eligibility requirements. However, in some of these cases, tighter eligibility criteria may have been imposed on them by the Federal government as in the case of Medicaid guidelines. None of the agencies reporting no changes in demand for their services made any changes. However, in all agencies with substantial declines in demand for services, the response was to add new programs.

Variations in responses based on changes in demands for services might be better understood by looking at observations about changes in clients for each category of change. Respondents reporting substantial increases in demands for the services of their agencies described recent clients as generally more diverse and more difficult to serve and as having more severe problems and fewer skills, perhaps due to backgrounds of generational welfare. In particular, they report recent clients to be in need of subsidized child care (with increasing need for attention to special needs children), affordable housing, transportation, life and job skills training, and better access to health care and medical benefits. These agencies have redoubled their efforts to respond to these needs. First, coordination of services has been improved through networking with other social services organizations, collaboration with private sector organizations, increasing regional collaborations, and increasingly seeking to integrate TANF/food stamp recipients not only into work settings, but into the community. Second, these agencies have diversified and individualized their services. Third, they have increased attention given to life and job skills,

adding more classes, developing computer labs, and streamlining job search and referral services. Fourth, increased attention has been given to care for dependents through increasing spaces for children in day cares, adding after school programs, increasing hours of operation of day cares, and adding walk-in child care to allow mothers to go to job interviews.

Respondents reporting moderate increases in demands for the services of their agencies described recent clients as in particular need of life and job skills training. As one respondent expressed, "Clients haven't changed, but due to technology, skill demands have changed." Other services in high demand included: child care, services related to child abuse and neglect, transportation, food and access to health and medical care. Several respondents cited an increasing need for access to medical care due to the lack of medical insurance in lower paying jobs. One noted that physicians are not accepting new welfare patients. Another noted that many welfare-to-work clients have lost eligibility for food stamps. In general, these respondents expressed concern that clients were losing benefits and thus doing worse by going to work. One respondent in particular expressed frustration with the situation, noting that her agency receives from five to ten requests per week for services they do not provide. These agencies have also attempted to respond to needs of their clients. An area of particular focus has been training in life and job skills. In these agencies particular efforts have been made to provide training in use of computers. In one agency the goal is to train clients in office skills, allowing them to enter jobs that carry benefits and pay a minimum of \$7.50 per hour. A second area that has received increased attention is programs for dependents. Several of the respondents indicated that for many clients the transition from welfare to work is stressful; this often increases incidence of such problems as child abuse and neglect and disruptive behavior among juveniles. Hence programs to deal with these problems have been added or strengthened. Another organization in this category added transportation services. However, some agencies in this category also reduced or eliminated services in response to increasing demands. Programs that were cut or reduced include energy assistance, business development, and youth services. One respondent reported that it was necessary to reduce the Head Start Program.

Respondents reporting no changes in demands for services of their agencies were less likely than those reporting increased demands to see changes in needs of clients. Those who did see changes in clients' needs most often mentioned health and medical needs. They reported that clients' medical conditions are more severe by the time they are able to obtain medical services; hence, more aggressive and extensive treatments are required. In addition, untreated health conditions reduce the extent to which clients are able to obtain and hold jobs. These respondents reported that they must do more with less, reflecting stable caseloads coupled with reduced funding for health and medical care.

Respondents reporting reduced demands for services of their agencies noted that recent clients are in greater need of child care and job skills training than were previous clients. One respondent reported that increased employment opportunities had reduced the demands for services. Another suggested that lack of availability of affordable housing has caused some clients to move to other counties.

D. Extent of Unmet Employment and Training Services Since Welfare Reform

As discussed above, respondents reported placing increased emphasis on employment and training services. It is clear that social service providers view job skills training as crucial to the success of welfare reform. For example, most jobs that pay living wages require computer skills. To meet this demand, efforts to acquire computer equipment and to expand training programs in computer skills have increased. Respondents in most agencies have observed increased demands for services such as child care and transportation, which are clearly linked to labor force participation. Respondents recognize that if clients are not able to obtain jobs that pay living wages and that carry benefits, they will continue to need public assistance to provide for child care, transportation and other needs. Job skills training has been given high priority because it is the key to living wage jobs. The decision by the state of Indiana to use money accumulated since federal welfare reform began to offset child care costs for low income families, when coupled with effective job skills training, increases the likelihood of successful transitions from welfare to work.

Based on responses of social service providers to questions concerning demands for services, it appears that welfare reform has in the short-term heightened demands for life and job skills training, child care, transportation, affordable housing, after school programs, and access to health and medical care. Agencies have added life and job skills classes. They have worked to acquire more computer equipment, but there is ongoing need for computer equipment to facilitate job skills training.

IV. Organizational Structure and Collaboration

A. Extent of Intra-Organizational Change and Collaboration Since Welfare Reform

None of the organizations underwent changes in organizational type since welfare reform began in Indiana. Thirteen organizations (46%) are non-profit, non-religious organizations, six (21%) are non-profit, religious organizations, one (3.6%) is a for-profit organization, and eight (29%) are government agencies.

Respondents were asked what geographic areas their organizations serve. Responses were as follows: neighborhood, 17 organizations (60.7%); city, 16 organizations (57.1%); county, 20 organizations (71.4%); metropolitan area, nine organizations (32.1%); state, four organizations (14.3%); multi-state or region, five organizations (17.9%); national, three organizations (10.7%); international, two organizations (7.1%); and other, 11 organizations (39.3%). The organizations vary in terms of geographic area targeted: large city, 5 organizations (17.9%); small city, 18 organizations (64.3%); town, 11 organizations (39.3%); suburban area, 10 organizations (35.7%); rural area, 18 organizations (64.3%); and other, two organizations (7.1%). Respondents in five organizations (17.9%) reported a change in geographic focus since welfare reform in Indiana. The geographic focus of four of these organizations expanded. One of the organizations now serves clients from Kentucky. A second serves four additional counties in

Indiana. One organization reported a narrowing of geographic focus from seven to three counties.

Since welfare reform began in Indiana, the number of full and part time workers employed in the organizations studied increased. In 1994, mean number of employees was 31.9 with a range of 0-200. By the beginning of 1999, the mean number of employees had increased to 50.3 with a range of 0-300. Table 10 shows variations in numbers of employees in greater detail.

Table 10: Changes in Numbers of Employees Since Welfare Reform

	# of Organizations 1994	# of Organizations 1999
no employees	6	3
1-10 employees	6	7
11-20 employees	2	4
21-30 employees	3	2
31-40 employees	2	3
41-50 employees	1	1
over 50 employees	7	8

Respondents were asked whether their organizations had experienced changes in numbers of service delivery or program staff, administrative/support staff, and fund raising staff, in the amount of staff training, in staff salaries, in difficulty of maintaining competitive salaries for staff, and in numbers of staff vacancies since Indiana's welfare reform began. Responses are shown in Table 11.

Table 11 shows that the primary increase in numbers of staff has been in service delivery and program staff. Relatively few organizations reported substantial increases in fund-raising staff. Amount of staff training has increased to some degree in a majority of organizations. This seems in keeping with reports discussed earlier of increasingly complex client needs. A majority of respondents also reported moderate increases in staff salaries; however, a majority also reported difficulties in maintaining competitive salaries. There was no source of support in which a majority of respondents reported increases for their organizations.

Table 11: Internal Organizational Changes Since Welfare Reform Began

	Substantial Increase	Moderate Increase	No Change	Moderate Decrease	Substantial Decrease	Unknown
Service Delivery Staff	39.3%	14.3%	21.4%	14.3%	7.1%	3.6%
Admin. Support Staff	7.1%	28.6%	39.3%	17.9%	3.6%	3.6%
Fundraising Staff	7.1%	7.1%	53.6%	3.6%	3.6%	7.1%
Training Staff	35.7%	21.4%	32.1%	7.1%	0.0%	3.6%
Salary Staff	10.7%	53.6%	28.6%	3.6%	0.0%	3.6%
Difficulty Maintaining Competitive Sal.	35.7%	28.6%	28.6%	0.0%	0.0%	7.1%
Staff Vacancies	7.1%	28.6%	53.6%	3.6%	0.0%	7.1%
Profit Making Subsidiary	0.0%	10.7%	42.9%	0.0%	3.6%	3.6%
Fees/User Charges	7.1%	32.1%	32.1%	3.6%	3.6%	3.6%
Direct Fund Raising	10.7%	17.9%	35.7%	3.6%	0.0%	7.1%
In-Kind Donations	17.9%	17.9%	50.0%	3.6%	0.0%	0.0%
Federal Government Programs	3.6%	10.7%	46.4%	25.0%	10.7%	0.0%
State Government Programs	7.1%	25.0%	46.4%	14.3%	3.6%	3.6%
Local Government Programs	3.6%	7.1%	67.9%	3.6%	3.6%	3.6%
Foundations/Cooperation Programs	7.1%	25.0%	50.0%	3.6%	3.6%	3.6%
Membership in Federated Charities	10.7%	21.4%	35.7%	3.6%	3.6%	3.6%

B. Nature of Intra-Organizational Change and Collaboration Since Welfare Reform

Only four respondents reported changes in support from profit-making subsidiaries. Of these, three reported moderate increases and one reported a substantial decrease in support from this source. Among those with increased support from this source affects on meeting needs of clients were mixed. In the first, caseloads were increased, and client demands were met. In the second, increases in support from the subsidiary were offset by cuts in federal and state funding; thus, some demands of their clients went unmet. In the third organization, staff positions were lost in the face of moderate increases in demands for their services; there were no changes in caseloads so perhaps increased support from their subsidiary helped them to meet the increased demands for services. The fourth organization, in which support from its subsidiary declined, also experienced cuts in government funding. This organization was forced to reduce the number of staff, which, in turn, increased the difficulty of maintaining internal fund raising efforts. Nonetheless, the remaining staff have made valiant efforts to meet client needs.

Organizations that had multiple sources of funding and that experienced increases from at least some of the sources were better able to meet clients' demands for services. Those organizations that experienced decreases in multiple sources of funding, especially if staff size was also reduced, were less able to keep pace with demands for their services.

C. Extent of Inter-Organizational Change and Collaboration Since Welfare Reform

When asked whether their organizations had participated in service or program coordination with a for-profit organization, ten respondents (35.7%) answered in the affirmative. Seven reported that their involvement in such coordination had increased since welfare reform, one reported a

decrease in involvement and two reported no changes in extent of involvement. Five respondents described efforts to help match clients to jobs as their most significant project that is coordinated with for-profit organizations. Other projects involved provision of in-kind donations, transportation for clients of social services organizations, coordinated programs for youths and children, and efforts to work with local businesses, such as hotels, to provide housing for clients.

Nineteen (67.9%) respondents reported that their organizations had participated in coordination of a service or program with a government agency. Three respondents indicated that their organizations' involvement in this form of coordination had not changed since welfare reform began. One respondent was unsure. The remaining respondents all reported increases in frequency or level of their involvement. When asked to describe their most significant collaborative project with a government agency, five respondents described collaborations to increase availability of affordable housing. Two cited utility assistance projects. Two were involved in the IMPACT program. Others described collaborative efforts to provide educational programs, evening child care, and a court-ordered program to help substance abusers return to society. Also described were coordinated efforts to increase efficiency and reduce duplication of efforts, early intervention case management programs, and plans for sharing technology and building cross-training.

Twenty-six (92.9%) respondents reported that their organizations had participated in coordinating a service or a program with a non-profit organization. Nineteen respondents reported increases in such coordination since welfare reform, while five reported no changes and one reported a decline in coordination. A wide variety of projects were described by respondents. Three noted coordinated efforts to provide housing, two of which were transitional housing. Four described programs for youths, including a prevention/intervention program, a youth volunteer program, and a counseling program for to change sexual values among at risk teens. Four described coordinated job training and job referral programs. Two cited programs for providing emergency financial assistance. One described a coordinated effort among local churches, each providing free meals on a different evening. Several respondents reported working to improve accessibility of services through coordination. One respondent described this as a "one-stop shop for human services."

Respondents were asked whether unions had been involved in designing job placement and job training opportunities for clients. Only four respondents reported union involvement. One noted that a labor representative is a member of his/her agency's board. Others reported that union representatives are involved in planning boards of WIA, serve on the business advisory committee and on the private industry council. A fifth respondent reported that union representatives had been invited to participate but thus far had not been active in his/her organization's job placement and training efforts. Three respondents did not know whether unions had been involved, and the remaining respondents reported that unions had not been involved.

Table 12 shows rates of participation in other forms of collaboration/coordination since Indiana's welfare reform began.

Table 12: Collaboration/Coordination Since Welfare Reform

Joined or Established a Network of Organizations	53.6%
Participated in or Sponsored Forums on Government Budget Cuts and Policy Changes	50.0%
Joined / Participated in Formal Protests, Lobbying, or Rallies Against Policy Changes	10.7%
Joined / Participated in Programs and Rallies Supporting Policy Changes	17.9%
Developed Mutual Board Membership with Other Service Providers and Coordinators	42.9%
Increased Joint Activities / Programs with Other Service Providers and Coordinators	75.0%
Increased Referrals or Information Sharing with Other Service Providers and Coordinators	82.1%
None	14.3%

Table 12 shows that a large majority of the organizations have strengthened their ties to other organizations since welfare reform began. Most organizations now have stronger referral and information sharing systems as well as increasing numbers of joint activities and programs with other service providers and coordinators. A majority have also become part of a network of organizations. Lobbying, protests and rallies were the least popular form of involvement with other organizations.

D. Nature of Inter-Organizational Change and Collaboration Since Welfare Reform

Respondents who reported few inter-organizational associations were somewhat more likely than those who reported increased inter-organizational linkages to depict their organizations as having difficulties meeting the needs of clients. Needs that went unmet in these organizations included sick care, funding for a halfway house, and utility assistance. One respondent stated that his/her organization is unable to meet client needs for housing and noted that they have the longest waiting list in the state for public housing. Two respondents attributed failure to meet needs for health care to cuts in Medicaid. Another two respondents noted substantial decreases in their caseloads and attributed the declines to an improved economy and a better job market. One added that demand for their service—free meals—may have declined due to lack of low income housing, forcing low income persons to go to other counties. Two other organizations that provide free meals reported to change in caseloads and no unmet needs. Two final organizations reported an inability to meet demands for service due to lack of funds. One of these organizations had experienced cuts in many sources of funding and had also lost staff. Four of the organizations in which collaboration rates were low are run by volunteers.

Respondents from a second group of organizations reported moderate levels of collaboration with other organizations. Two respondents reported large increases in caseloads and no unmet needs. In an additional four organizations respondents also indicated increased caseloads, but in these organizations some needs of clients could not be met (shelter for women with substance abuse problems, transportation, child care, and job training). One respondent seemed overwhelmed by the extensive needs of his/her organization's clients. A seventh respondent reported an inability to provide skilled care for elderly clients due to Medicaid cuts. An eighth respondent reported extensive loss of funding from many sources; in this organization needs for housing, job placement, transportation and child care went unmet.

Respondents from a third group of organizations reported high levels of collaboration with other organizations. Two respondents reported that their organizations were able to adequately meet the needs of their clients. A third respondent reported considerable success in reducing caseloads of welfare-to-work clients by 50%; however, s/he did add that IMPACT limits on support for transportation are unrealistically low. A fourth respondent who reported an increased caseload was proud of his/her agency's progress in providing job skills training but reiterated the third respondent's complaint that government funding for transportation is too low. Three other respondents reported increased caseloads resulting in unmet needs in the areas of affordable housing, transportation, home care, child care and health care. One of these respondents commented that even though federal and state funding for home care has increased, there are still long waiting lists. A second of these respondents reported working to increase collaborative relationships with other organizations in order to reduce shortfalls. The third reported turning away as many clients as are served. A final respondent reported waiting lists among TANF clients and felt demand for services among these clients had been underestimated at the state level.

Collaborative efforts appear to be effective in streamlining referrals and improving efficiency of provision of services. Extensive collaboration did not necessarily eliminate the problem of unmet demands for service. However, respondents in organizations where collaborative efforts had been most extensive tended to express more optimism regarding the progress that had been and would be made in the future. It may be that collaboration has a deterrent effect on burnout among social services staff.

V. Summary of Results

A. Impacts on Social Service Organizations and Provider Networks

Respondents in this study appear to be committed to making a success of welfare reform. Through participation in local coalitions, such as Step Ahead, and other collaborative efforts, they are working to adapt welfare reform policies to better meet local conditions. A smaller number of respondents have also attempted to influence welfare reform at the state level. Some of the respondents describe becoming part of a network as a major benefit of welfare reform. Welfare reform has also prompted them to rethink not only their goals, but their mission, as social service providers and coordinators. Respondents described this process as a changing of focus from a short-term piece meal and stop gap one to a longer term holistic and individualized approach in which clients not only join the work force, but also become integrated into the larger community. There is a feedback process here, for while increased networking produced this change in focus, the altered focus has, in turn, heightened the need for coordination of services. Social conditions at the time a policy is introduced often influence the extent to which the outcome is positive. Welfare reform appears to have been introduced at a fortunate time. Improvements in the economy and low rates of unemployment are conducive to its success. In particular, shortages of workers to meet labor demands may well have heightened the interest and increased the willingness of employers in the private sector to collaborate with social service providers and coordinators in the welfare reform endeavor. Also there seemed to be an energy and enthusiasm among respondents in this study "to make this happen" that may be at least in

part due to the above fortunate timing. That is, a successful outcome appears to be within the realm of possibilities.

Nonetheless, providers and coordinators did express concerns about the short time frame allotted for achieving the goals of welfare reform. Post welfare reform clients were described as more diverse and difficult to serve and as having more severe problems and fewer skills, perhaps due to backgrounds of generational welfare. A major way in which organizations have dealt with this is through increased coordination of services through networking with other social service organizations, collaboration with private organizations, regional collaborations and attempts to integrate clients not only into work settings but also into the larger community. Another way in which organizations have attempted to deal with the above obstacles has been more diversified and individualized case management.

A second area of concern is insufficient funding. There was no source of support in which a majority of organizations reported increases. Thus, respondents are concerned that they are being asked to do more without a commensurate increase in funds. Increases in funding will likely be required in order to “get over the hump.” If the necessary funding to make welfare reform work is provided, long-term savings could well result.

Who are the winners and the losers in provider networks? First, it appears that smaller, often times single service, providers (which are often operated by volunteers) may often be left out of the larger loop. These smaller providers tended to network only with each other. For example, a number of churches in the local area worked out an arrangement whereby each would provide free meals on different evenings.

On the other hand, among larger organizations, those that coordinated projects with for-profit organizations noted as particularly fruitful efforts to match clients to jobs. Other successful enterprises with for-profit organizations included projects to provide transportation services for welfare-to-work clients and collaborations with local businesses, such as hotels, to provide affordable housing. Other organizations had successful collaborative projects with government agencies. Focuses of these projects included increasing availability of affordable housing, IMPACT program, educational programs and evening child care. Early intervention case management and collaborations to reduce duplication of efforts were other successful projects. Coordinated efforts with nonprofit organizations were particularly fruitful in that four new job training and job referral programs resulted. The goal of one collaboration with a nonprofit organization was a “one stop shop for human services.” Making all services available in one location reduces the time and effort expended by clients in obtaining services, freeing them to focus more extensively on reaching goals of self-sufficiency.

Collaborative efforts appear to be effective in streamlining referrals and in improving efficiency of service provision. Extensive collaboration did not necessarily eliminate problems of unmet demands for services. However, respondents in organizations where collaborative efforts had been extensive tended to express greater optimism regarding progress to date as well as regarding future possibilities. It may be that collaboration has a deterrent effect on burnout among social services staff.

B. Impacts on Individual Social Service Providers

When respondents were asked what strengths, if any, they saw in Indiana's welfare reform, 82% were able to describe some strong points. A majority (57%) felt that the reform is helping welfare recipients to enter the work force. Three respondents said that reform is helping to break generational cycles of welfare, and one observed that more welfare recipients are now making genuine efforts to time limit their reliance on public assistance. Respondents felt that the emphasis on work first, when coupled with services that permit advancement as a result of work, helps to motivate their clients, and they gain a healthier focus. Welfare reform raises the bar of expectations and provides a time frame for individuals seeking independence. And once clients begin to work, they realize that they are able to take care of themselves. As one respondent put it, welfare dependency can have detrimental affects on mental health. Nonetheless, those who legitimately cannot find work may be harmed by expectations linked to welfare reform.

Several respondents noted advantages to social service organizations stemming from welfare reform. One noted an advantage to his/her organization: "we got some great staff from hiring former welfare recipients." Others stated that welfare reform has required agencies to engage in more local planning and collaboration. It has also allowed agencies to focus on strengthening whole families and to focus more holistically on individuals.

Respondents were also asked to describe any frustrations they felt with Indiana's welfare reform. Twenty-nine percent expressed no frustrations. Among the 71% who did experience frustrations, several major themes emerged. Many concerns focused on potentially adverse affects on clients and their dependents. One such theme was loss of benefits, such as health care and child care, as disincentives to employment. Particularly when there is no living wage to offset lost benefits, clients and their children suffer. Sixty percent of those respondents who expressed frustrations reported increased demands in their agencies for such services as childcare, transportation, housing and medical care. Thus, they were clearly aware of problems linked to lost benefits. Additionally, welfare reform policies were said to fail to adequately recognize that some welfare recipients are not employable due to medical conditions, while others require substantially more time than is allowed to acquire life and job skills.

One respondent expressed concern that overly high expectations (for major change in a short time without adequate safety nets) would reinforce low self-esteem among clients and further promote bigoted attitudes toward them within the larger community. Another respondent described shortcomings of welfare reform as a failure to adequately address the need for long-term efforts.

Other frustrations concerned the ability of agencies and the community to respond adequately to welfare reform. Some described agencies' caseloads as unrealistic and resources as inadequate. One commented that ideally it is better for communities rather than the government to assist those in need, but then s/he lamented the failure of communities to do this adequately. A number of respondents expressed frustrations with rules and regulations. Frequent (monthly at times) changes in regulations result in uncertainty and require caseworkers to take time away from clients. Additionally, too many regulations stifle creativity and the ability to work effectively with individual clients. A final problem was one of inter-organizational communication. One

respondent reported an inability to make contact with agencies providing job training at a time when her agency needed to hire new employees.

No local, state or federal factors resulted in decreased demands for services in a majority of the agencies. While low unemployment rates, for example, indicate demand for workers, respondents report that post welfare reform clients tend to have more problems and fewer skills than pre-reform clients. Respondents show strong commitment to helping clients succeed in making the transition to work. For example, seven agencies in which caseloads had increased still placed high priority on increasing the number of life and job skills services they offered. Nonetheless, a fair number have expressed frustration due to under-funding and a too short time frame.

C. Impacts on Clients

As noted above, social service providers perceive some positive effects of welfare reform on clients. For example, one respondent reported that more welfare recipients are now making genuine efforts to limit time wise their dependency on public assistance. Another noted that welfare reform raises the bar of expectations and clients begin to realize that they are able to care for themselves. Nonetheless, welfare reform is not without negative impacts on clients. Loss of such benefits as medical care and lack of affordable child care, housing and transportation can serve as disincentives to work. Particularly in Floyd County, lack of affordable housing is an acute problem. Indiana's initiative to use money accumulated since federal welfare reform began to offset child care costs for low income families will help to ease the transition to employment. However, longer term solutions are also needed. Entry level jobs need to pay living wages and carry benefits. If welfare reform is indeed a community enterprise, then the need is for employers to assume their share of the responsibility by boosting entry level wages and adding benefits. Until this happens, many welfare-to-work clients will continue to require public assistance to offset costs of health care, child care, housing and transportation.

A number of respondents reported that cutbacks in Medicaid preclude early medical interventions. This results in more severe medical conditions that require more extensive treatment once welfare clients do get help. Furthermore, clients with prolonged and increasingly serious medical conditions are less likely to make successful transitions into employment.

Availability of training in life and job skills is increasing in Floyd County, though supply still falls short of demand. Life and job skills programs are less readily available in Harrison County, and lack of public transportation makes it difficult for clients to commute to Floyd or Clark Counties to obtain training. Service providers have recognized the need to provide training in computer skills so that clients may qualify for better jobs that carry benefits. To provide computer training, computer equipment is needed.

D. Variables Linked with Successful and Unsuccessful Adaptations of Social Service Organizations to Welfare Reform

A range of variables appear to be linked with degree of success of adaptations to welfare reform. First, population density or rural/urban influences availability of public transportation, which, in turn, influences the ability of welfare-to-work clients to get to training programs, job interviews and jobs. Type of job skills training can influence success in finding a benefit -carrying job with a living wage. Thus, success of job skills training programs may be linked to whether or not they include computer skills. In both Floyd and Harrison Counties, the largest job category is technical, sales and administrative support, suggesting that many jobs in these counties likely require computer skills. Additionally, in Harrison, increasing numbers of jobs are available in tourism though many of these jobs are apt to be low paying.

Lack of affordable housing is an acute problem in both counties. Housing prices have increased and there is a severe shortage of subsidized housing, particularly in Floyd County. One respondent perceived that lack of affordable housing has caused some poor families to move to other counties.

Shortages of places in child care facilities are yet to be resolved despite increased availability of funding. Floyd County initiated a requirement that unlicensed day cares to meet five health and safety standards but was reluctant to go further for fear that some of the unlicensed facilities would close, increasing the already substantial shortage of child care spaces.

Federal funding remains an important variable in that changes in Medicaid guidelines impact the ability of persons leaving welfare to obtain health and medical services. Respondents reported that recent cuts resulted in eventual need for more extensive and expensive treatments. Overemphasis on short term savings lead to long term losses.

Among the most important predictors for increased demands for social services are lack of transportation, lack of affordable child care and changes in population composition. Based on respondents' comments, it appears that they understood population composition to mean composition of their population of clients. Respondents noted that the more diverse and the more deep seated are clients' needs, the greater the number and the more extensive the services that are required before clients can obtain jobs. For example, one respondent reported that increasing numbers of homeless persons are employed. This respondent questioned whether this might be a consequence of welfare reform.

Respondents reported frustration due to increasing caseloads and declining funds. Increased funding is needed in the short term if savings are to be realized in the long term. Finally, it may be that extent of participation in networking impacts likelihood of burnout.

I. Description of the Setting: Greene County

A. Character

Greene County is a rural county in central, southwestern Indiana. According to the Census Bureau, 60 percent of land in the county was under cultivation as farm land in 1996, the most recent year available.¹ While Bloomfield is the county seat, Linton is the largest city in the county. This fact has led to some tension and has undermined county cooperation to a limited extent. Other towns include Jasonville, Lyons, Newberry, Solsberry, Switz City and Worthington.² Risk factors for poverty include the fact that in 1993, 15 percent of births in the county were to women less than 20 years old.³ In 1990, 71.6 percent of residents 25 years of age or older had a high school diploma, but only 9.9 percent had a college degree.⁴ In 1993, the per capita income was \$15,300.⁵

The Indiana Youth Institute (IYI) reports the following statistics related to child welfare in Greene County for 1997, the most recent year for which there is complete data.⁶ In 1997, there were 3 licensed childcare centers in the county, 32 licensed childcare homes and no registered child care ministries. Yet, there are over 2,000 children under the age of four in Greene County. These data seem to indicate that many children receive care in informal settings. The monthly average of persons certified for food stamps was 1,480. The monthly average of families receiving means -tested benefits was 133 and of children receiving means -tested benefits was 218. There were 1,238 WIC participants, 44 First Steps participants and 76 Head Start participants. Over two thousand children were enrolled in Medicaid.

The population of Greene County is over 32,000 people and the Census Bureau estimated that between 2,759 and 4,173 individuals were living in poverty in the county as of July 1996.⁷ At this same time, there were between 1,007 and 1,358 children under 18 living in poverty. These data appear to indicate a large gap between the number of people in need and the number of people receiving certain types of government assistance. It is possible that some needy people are receiving other types of government aid not accounted for in the IYI means -tested category. Alternatively, it is possible that the number of people in the county living in poverty decreased substantially between July 1996 and the end of 1997.

The Indiana Youth Institute reports that 21.1 percent of students were enrolled in the free lunch program at school in 1997. There were 189 reported cases of child abuse in 1997, with slightly less than half (46 percent) substantiated. There were 367 reported cases of child neglect, with slightly over a third (34.6 percent) substantiated. Fifty -seven percent of child sexual abuse cases

¹ <http://www.census.gov/statab/USA96/18/055.txt>, August 4, 1999

² <http://www.greenet.net/ecodev/linton.htm>, August 4, 1999.

³ <http://www.census.gov/statab/USA96/18/055.txt>, August 4, 1999

⁴ Ibid

⁵ Ibid

⁶ <http://www.iyi.org>, November 23, 1999.

⁷ <http://www.census.gov/hhes/www/saie/estimate/cty/cty18055.htm>, August 4, 1999.

in 1997 were substantiated. The child abuse and neglect rate for the county was 27.8 percent, slightly above the state average. There were no child abuse or neglect deaths in 1997. In 1997, there were 32 juvenile CHINS (children in need of services) cases, 66 juvenile delinquency cases and 98 juvenile paternity cases. One juvenile was committed to the Department of Corrections. Of 356 high school graduates in the county, 36 percent intended to attend a 4 -year college, and 8.4 percent intended to attend a vocational or technical school . The county has an inflated high school dropout rate and these data indicate that the majority of high school students do not continue on for additional education. Therefore, it would appear that many people in the county have a relatively low level of education.

Demographics for the two largest towns in the county, Bloomfield and Linton, are as follows. In 1990, 21.6 percent of Bloomfield's population was under 18 years of age and 22.8 percent was 65 years of age or older. That same year, two-parent, married couples headed 50.7 percent of households. The vast majority of residents were white (2,566 whites compared to 1 black, 3 American Indian, 13 Asian, 18 Hispanic and 9 other race). Seventy percent of homes were owner-occupied.⁸ In 1990, 23.1 percent of Linton's population was under 18 years of age and 22.9 percent was 65 years of age or older. That same year, two-parent, married couples headed 50 percent of households. As in Bloomfield, the vast majority of residents were white (5,788 whites compared to 1 black, 4 American Indian, 12 Asian, 30 Hispanic and 9 other race.) Slightly over seventy percent of homes were owner-occupied.⁹

Greene County has one of the ten highest unemployment rates in the state and has a higher than average level of child abuse and neglect. In general, the county has higher than average rankings on many poverty and poverty-related indicators. Yet for a rural area, Greene County has greater than usual access to social services. A number of local providers offer programs in the county, and residents are within a 50 -mile drive of several larger Indiana cities outside the county offering a diversity of social services.

B. Local Economy

In general, Greene County has a relatively low level of education. Only 10 percent of the population has a bachelor's degree or more.¹⁰ This low level of education persists despite the fact that Greene County residents live within 50 miles of Indiana University, Indiana State University, Rose-Hulman Institute of Technology, St. Mary-of-the-Woods College, and Vincennes University. Ivy Tech as well has campuses in both Bloomington and Terre Haute, also within 50 miles.¹¹

According to the Greene County Economic Development Corporation, occupations and industries that are growing include certain recreational services, miscellaneous repair services, primary metal work, real estate, health and business services. Occupations and industries in

⁸ <http://www.iupui.edu/it/ibrc/towns/bloomi28.htm>, August 4, 1999.

⁹ <http://www.iupui.edu/it/ibrc/towns/linton28.htm>, August 4, 1999.

¹⁰ <http://www.census.gov/statab/USA96/18/055.txt>, August 4, 1999

¹¹ <http://www.greenet.net/ecodev/linton.htm>, August 4, 1999.

decline include apparel and accessory stores, coal mining, agricultural services, insurance, lumber and wood products and trucking and warehousing. Employers are looking for “basic skills needed for the job that the applicant is applying for, common sense, basic math and English skills, and willingness to expand their knowledge.”¹² “A large percentage of Greene County residents commute to their employment in other counties. Layoffs in other counties periodically impact Greene County’s unemployment rate. Seasonal employment is also a big factor in Greene County’s unemployment rate, according to the Greene County Economic Development Corporation.”¹³

By far, the major employer of Greene County residents is the Naval Surface Warfare Center at Crane Naval base, located in an adjoining county. Crane employs 4,000 Greene County residents. To put Crane’s economic influence in perspective, the next largest employer of county residents is Worthington Packing Company, which employs 419 people. Other major employers in the county include Weddle Brothers’ Construction company with 250 employees, Jasonville Cord with 170 employees, Worthington Assembly with 120 employees and Comarco Systems with 110 employees. The vast majority of jobs are non-union.¹⁴

There are a number of nursing homes and home health care providers in the county that employ unskilled or low-skilled workers, often former welfare recipients. The vast majority of nursing home employees, often 90 percent of the workforce or higher, are women. For nursing homes, increased federal Medicare coverage for home health care has reduced the need for nursing home services, which in turn has led to staffing reductions. Alternatively, it is possible that the demand for visiting health care providers, perhaps mainly providing low-skilled homemaker services, may have increased, possibly creating job opportunities for low-skilled, primarily female workers.

Economic development efforts in the community include agencies offering funding for cultural programs and social services. At least two intermediary funding organizations exist in the county to provide grants to non-profit organizations. Both agencies have a relatively limited amount of funds to distribute. For example, last year, one agency provided approximately \$75,000 in grants and the other organization distributed \$50,000. In both cases, the funder rarely provides the total amount of money requested. In addition, the recipients of funds tend to be a wide variety of non-profit organizations and funding is not limited to social service providers.

C. Other Contextual Influences

The Greene County Economic Development Corporation states that access to low-income housing and social service benefits has attracted an indigent population to the county, which has increased the number of unemployed in the county.¹⁵ This statement and a similar concern raised by a survey respondent regarding an increase in out-of-county poor people moving to the

¹² <http://www.greenet.net/ecodev/gcedc.htm>, August 4, 1999.

¹³ Ibid

¹⁴ Ibid

¹⁵ <http://www.greenet.net/ecodev/gcedc.htm>, August 4, 1999.

area are the only evidence indicating any changes in local welfare policies. Only one social service provider in the county mentioned an increase in the availability of social services as attracting out-of-county people to the area. A few respondents mentioned that the new county welfare director has reduced spending on mental health care for families receiving social services and that in general there is greater emphasis on “work first” strategies to move families toward self-sufficiency. This shift in emphasis, in turn, has led some employment and training providers to focus more on getting clients into jobs before they reach their time limits. Otherwise, there have not been any other non-economic influences that might explain local welfare use. There have not been any recent natural disasters that would increase temporarily demand for social services.

One respondent whose agency runs educational and recreational programs for young girls in a multi-county area commented that Greene County residents and program leaders are more reluctant to try new programs such as AIDS awareness and prevention of teenage pregnancy. This respondent attributed this reluctance to the fact that Greene County is more rural than the other counties in the region and is more conservative. The respondent stated that Greene County program leaders and participants often say that AIDS and teenage pregnancy don’t occur in the county, so such prevention programs are not necessary. The respondent also commented that Greene County residents are more vocal in protesting new programs.

D. Prior Local Welfare Reform Efforts

The government-sponsored Step Ahead Council has served to bring together many of the social service providers in the community prior to the latest iteration of welfare reform. The Council meets regularly, allowing community agencies to share concerns, strategies and information about particular cases. In addition, the Council has been instrumental in reducing the duplication of services among providers. So far, the Council has focused primarily on distributing vouchers for subsidized child care. The council also appears to work closely with the county welfare office in coordinating out-of-home placements and support services for children in need of services (CHINs). Some service providers have been critical of the council for not doing more work directly with the welfare population. These providers feel that the Step Ahead Council should have a larger role than merely being the fiscal agency for subsidized child care services. Other respondents express concern that welfare reform has reduced certain services. In particular, they cite a reduction in mental health and psychological counseling services and are critical of the emphasis on a “work first” strategy to reduce welfare rolls.

Besides the Step Ahead Council, there was also a non-profit effort to coordinate social services in the past. One respondent representing a religious organization indicated that the church was active in creating and supporting a community services center in Linton in 1995 and 1996 at the beginning of welfare reform. Members of the congregation served on the board of the organization and also volunteered to provide direct services. The intention of the organization was to coordinate services with other churches. However, the program never established itself in the community and closed after about three years. Funds from the organization continued to be

distributed for about a year following disbandment after which all remaining funds were turned over to an intermediary funding organization. Only the food pantry remains functioning.

II. Service Provision

A. Types of Services Provided

Greene County is a rural county. As a result, the main office of many multi-service providers (and often the services themselves) is frequently located outside the county. Yet, because Greene County residents living within a 50-mile radius of larger towns in adjoining counties, they actually have greater access to social services than might be expected for rural communities. For example, residents can travel to Bloomington, Vincennes, Terre Haute or Washington to access services that may not be available in Greene County. Likewise, social service agencies that began in these larger communities have often expanded their mission to include residents of Greene County.

Social service agencies serving Greene County offer a broad array of programs. Of the 60 agencies interviewed, 20 agencies report providing food assistance directly. Nine agencies offer day care and child care support, 14 provide elderly care and 10 provide after-school activities for children. Twelve agencies offer programs for abused women or children, 11 organizations provide programs to prevent teenage pregnancy, and 15 offer literacy or tutoring programs for children or adults. Five organizations provide housing for homeless people, 9 promote affordable housing development and 14 offer housing search assistance. Twenty-one organizations provide community development and 14 agencies offer business and economic development. Seventeen agencies offer assistance to migrants and refugees. Twenty-five offer family counseling and the same number offer parent education. Twenty-four agencies offer life skills training. Sixteen agencies provide alcohol or drug abuse prevention and treatment. Twenty-two agencies provide subsidized transportation services. Sixteen agencies provide job search assistance and placement and 18 offer employment training and education (including apprenticeships). Seventeen agencies offer utility assistance and eighteen agencies offer clothing assistance. Seventeen organizations provide medical treatment and 19 agencies offer mental health treatment.

While it appears that a wide variety of services are available to Greene County residents, a number of these organizations report maintaining a wait list for services or running out of money or commodities. In addition, many of the smaller organizations interviewed provide the services in a piecemeal fashion, helping only a few families at any one time or offering assistance periodically rather than on a regular schedule. For example, one respondent indicates that the agency maintains a list of volunteers who will drive clients to appointments on an occasional basis, but the organization cannot provide daily transportation to employment.

In describing their organization's primary mission, nine respondents identified their agencies as a church and seven agencies listed independent living for the disabled as their primary goal for

clients. The provision of mental health care and health care services were both listed by six agencies. Housing and education were each named by five organizations as their primary mission. Four organizations stated that their primary mission was the coordination or funding of social services. Employment services, juvenile programs, economic development, food programs and other services were each listed by three organizations. Childcare and advocacy/legal assistance were each listed by two organizations as their primary mission.

In describing the most important target groups for the organization, 12 organizations listed low-income individuals, children and families. Nine organizations named the disabled as their primary target population and eight organizations listed children. Six organizations listed the elderly, and the same number named young families as their primary target population. Five organizations had some other primary focus.

B. Changes in Services Provided Since Welfare Reform

Most agencies did not experience a change in geographic focus since 1995. For those organizations that did, all indicate that they expanded their services beyond the original geographic area. Not surprisingly, most agencies experienced no staff number or salary changes, since many of the agencies are run by a single volunteer. Those agencies that did experience changes were more likely to see increases than decreases. Nearly half of the agencies interviewed stated that they had not experienced any change in the number of staff since welfare reform was enacted in 1995. Seventeen percent experienced a decrease in staff size and 37 percent witnessed an increase. Two-thirds of agencies saw no change in the number of administrative or support staff, 7 percent experienced a moderate decrease and 28 percent had an increase. Over a third of the agencies did not know whether there were changes in their fundraising staff, nearly half (27/60) saw no change in fundraising staff and 17 percent experienced an increase in fundraising staff.

Staff training has increased since 1995 at half of the agencies interviewed, stayed the same at 26 agencies and decreased at 2 of the agencies. Salary for staff substantially decreased at 1 agency, stayed the same at 18 agencies, moderately increased at 34 agencies and substantially increased at 3 agencies. Two respondents did not know how salaries had changed. The difficulty in maintaining competitive salaries for staff stayed the same at 22 agencies, increased at 35 agencies, decreased at 1 agency and 2 organizations did not know. The vast majority of agencies (45) did not see any change in the number of staff vacancies, 13 agencies experienced an increase in staff vacancies and 2 experienced a decrease.

Many agencies have seen an increase in the number of clients and some organizations in response have tightened eligibility criteria in order to conserve limited resources. Sixteen agencies experienced a substantial increase in the number of clients served, 24 agencies had a moderate increase, 13 did not see any change, 5 had a moderate decrease and 1 had a substantial decrease. One respondent did not know if change had occurred. Almost two-thirds (37) of agencies reported that the strictness of the eligibility criteria that the agency enforces for deciding validity of applicants for entitlement of services had not changed since 1995. Fourteen

agencies experienced an increase, 5 agencies saw a decrease and 3 respondents did not know. One agency that works exclusively with welfare recipients has seen a 45 percent decrease in caseload since welfare reform in 1995. The respondent attributes this decrease to public assistance recipients finding jobs or choosing not to comply with state regulations and losing eligibility due to sanctioning.

Many of the agencies interviewed indicated no change in financial support, or did not know what changes had taken place in financial support from various sources. Those organizations that did experience changes in financial support were more likely to see increases than decreases in funding overall. In terms of government support, 25 agencies experienced no change in federal support since 1995, 14 organizations saw an increase in federal funding and the same number saw a decrease. Seven respondents did not know how federal funding had changed. Twenty-six agencies experienced no change in state funding since 1995. Fifteen agencies saw an increase in state funding, 10 agencies experienced a decrease and 9 respondents did not know. Thirty-three respondents did not experience any change in local support, 10 saw an increase and 4 experienced a decrease. Thirteen respondents did not know what changes had taken place.

Social service agencies also receive support from non-governmental sources. Twenty-two agencies saw no change in support from corporations and foundations. Twelve agencies experienced an increase in foundation and corporate support, but over a third of the respondents (25) did not know what changes had taken place in this type of support. Twenty-nine organizations either do not receive United Way support or do not know how this source of support has changed over the past five years. Twenty-four organizations reported no change in United Way support, 3 reported an increase and 2 reported a decrease in support from the United Way. Approximately one-third (21) of agencies increased the use of fees, the same number saw no change in the amount of support collected from fees and 18 respondents did not know how the use of fees had changed. The vast majority of organizations did not have a profit-making subsidiary or did not know of any changes in support from this source. Eighteen experienced no change in funding from the profit-making subsidiary and 2 witnessed a moderate increase in support from the profit-making subsidiary. Twenty-three organizations either do not do direct fund-raising or did not know how it had changed over the past five years. Of the remaining organizations, 20 observed no change in direct fund-raising and 16 witnessed an increase in support. Thirteen organizations either do not receive in-kind donations or did not know about changes in this type of support. Twenty-two organizations observed no change in in-kind donations, 23 experienced an increase and 2 experienced a decrease.

A surprising number of social service organizations report that there has been no change in their major activities since welfare reform (17/60) and several specifically mentioned that the changes that did occur were independent of welfare reform (8/60). Some food pantries in the area are reducing services in response to perceived fraud ("double-dipping"). For those organizations that did experience changes due to welfare reform, employment, training and educational services have increased. Some service providers are putting greater emphasis on "work first", helping people find jobs and helping them become job-ready. For example, one organization

added an employment specialist to help clients find jobs and now offers classes in basic literacy and numeracy for clients preparing to enter the job market.

In addition, demand for help with basic needs has increased, including health care, according to one provider. Health care providers, including mental health providers, are seeing more patients, but for a shorter period of time. In addition, the patients they see tend to have more chronic conditions. A mental health care provider indicates that the organization anticipates that the length of stay for clients will decrease in the future. As a result, there will be greater emphasis on stabilizing clients and attempting to meet their future needs on an out-patient basis. Another social service provider mentioned that while the number of people in the organization's caseload has not changed, the people they work with now are much more difficult to serve.

There is also a greater need for subsidized childcare since welfare reform was enacted. One organization that serves low-income children mentioned that over the past five years their staff has become more professionalized and they are working much more closely with the funder in their community. Meanwhile, certain services have declined in light of welfare reform. Another organization mentioned narrowing the services it provides to focus solely on childcare as a result of funding cuts associated with welfare reform.

C. Focus on Employment and Training Services

The goal of welfare reform is to transition public assistance recipients into the world of work as soon as possible. A number of agencies in Greene County assist in this mission. Of the 16 agencies that provide job search assistance and placement and the 18 agencies that offer employment training and education, 12 agencies placed at least one welfare recipient in a job in the past month. One hundred thirty-one welfare recipients seeking employment were placed in a job by these 12 agencies over the course of the past month. About half these agencies (5/12) stated that they had placement rates of 50 percent or better in the past month. Eight agencies had placed a welfare recipient in a job in the past week for a total of 37 welfare recipients placed. Only 2 of the agencies had a placement rate of over 50 percent in the past week. Six organizations that are represented in this study employ TANF recipients themselves, while the vast majority (54) do not. These six organizations hired as many as 50 TANF recipients and as few as 2. In general, it appears that few employers take advantage of state and federal tax incentives to hire welfare recipients. It is not clear whether employers are discouraged by the paperwork involved, if they feel they would not qualify for the tax credit or if there is another reason why they choose not to participate in the program.

Employers in the community complain that many job applicants lack basic skills. Also, many low-skilled workers do not stay on the job long, but often quit soon after they are hired. To address these concerns, some employers in the county offer their own training programs for new employees. Still, the skills mismatch persists. Unions, a potential source of training and apprenticeship programs, are not strong in the county and many employers, especially in the more rural areas of the county, hire only one or two workers. Some alternative education

providers are beginning to initiate programs to help their teenage participants move into the workforce.

With relatively low unemployment in the area compared to previous years, some employers offering jobs requiring lower skill levels complain that many workers are not qualified and that they must make a greater effort to search for suitable employees. A respondent representing an economic development organization believes that there should be greater emphasis on training, particularly job skills and life skills, such as showing up for work on time and other routines of work life, as part of welfare reform. Businesses that are members of this organization are somewhat disappointed that welfare reform has not substantially increased the employment pool in the county. In general, there is a skills mismatch, with both a labor shortage and relatively high unemployment existing simultaneously. In many cases, applicants do not have the necessary skills for the available jobs. One employer of low-income workers indicated that his organization notifies the county office of Workforce Development when there is a job opening. Workforce Development then searches for appropriate candidates and refers applicants to the respondent's organization. This organization has also attended some Workforce Development sponsored job fairs.

Another employer of low-income workers expressed frustration that when they do hire a low-income employee, the employee often quits within a short period of time. The respondent's organization completes a number of forms and a large amount of paperwork in return for very little work on the part of the employee. Often, in the respondent's opinion, the employee lacks a valid reason for quitting the job. The respondent believes that these employees should not receive benefits if they quit their jobs without appropriate cause. This organization does offer a program to train certified nursing assistants (CNAs). Applicants are paid to spend a week learning basic skills and after the successful completion of this program are hired for 75 hours of on-the-job training. After about a month on the job, the applicant prepares for the state certification test. All training services are provided free of charge and the applicant is hired after successfully completing the state certification procedure.

There are few unions in Greene County and most employees are not unionized. One respondent stated that union wage demands led General Electric to leave the community and resulted in significant job losses. Sunbeam, a large employer in the community, is non-union, but offers primarily low-wage jobs. Another respondent indicates that former welfare recipients are not likely to hold union jobs anyway. This respondent states that most welfare recipients do not belong to unions and therefore unions won't help them. Most union jobs provide fringe benefits, and most welfare recipients do not get jobs that provide these benefits according to this respondent. One respondent from a very rural part of the county indicates that helping welfare recipients in the community find jobs is very tough. There are few employment opportunities locally. Most of the businesses in the area are "mom and pop" operations that hire few if any employees from outside the family.

A respondent whose organization provides educational services for disabled students commented that over the past few years, the organization has seen an increase in the number of children with

emotional disturbances. This increase may be due in part to changes in diagnostic criteria. This respondent anticipates that over the course of the next few years, the agency will see more referrals due to population increase, but not related to welfare reform. The organization also provides job coaching services for disabled high school students to prepare them to enter the workforce. A respondent who represents an organization providing alternative educational services for public school children tries to work with employers to help graduating students get jobs. Students in the program complete a job shadowing internship and perform volunteer work once a week.

D. Changes in Employment and Training Services Since Welfare Reform

Almost all employment and training organizations indicate that they are increasing efforts to put people to work as soon as possible. For some agencies, this emphasis is a shift from their previous priorities. One agency that works closely with welfare recipients indicates that since 1995 there has been a much greater emphasis on work-first. Increasingly, staff spend time helping people find jobs and making clients job-ready. The focus has shifted to self-sufficiency as soon as possible. A number of respondents like welfare reform's greater emphasis on work and felt that this was an important positive aspect of the reforms. A number indicated that they believed that work would ultimately lead to self-sufficiency and that people would be better off in the long run as a result of welfare reform.

A government employment provider is supportive of welfare reform in general, but laments that his agency has seen substantial budget cuts over the past several years, which reduces his ability to serve people in need. A benefit of welfare reform has been greater cooperation between the welfare office and employment services. Also, a number of employment providers have expanded services to target welfare recipients. In addition, organizations providing health care and education have hired employment specialists to help their clients find jobs.

A respondent representing a government employment program expressed concern that as a result of welfare reform and changes in national workforce development laws, the organization will serve many fewer clients and receive much less funding in the future. This respondent was concerned that there will be an increasing demand for employment services. Since 1995, this organization has seen the same overall number of applicants, but a larger proportion of the clients are harder to serve and often have more severe barriers to employment.

In Greene County, which has a higher than average unemployment rate for the state, there are more job applicants competing for any available job. More people are requesting job search assistance, yet there is less funding for these programs. The job opportunities that are available tend to demand higher skills and more technical skills than many current applicants possess. Greene County has a 38 percent high school dropout rate according to this respondent, but almost all available jobs require at least a high school diploma. In addition, new legislation will punish people without a high school diploma by not allowing them to have a driver's license. In a rural county such as Greene, most people cannot get to a job without their own transportation. To address the large high school dropout rate, an alternative school has offered programs for

students struggling at the regular junior and senior high schools for the past four years. In addition, Adult Basic Education courses are offered at five sites in the county. Another respondent representing a different government employment provider states that the organization is making increased use of technology. For example, the agency is putting job listings on the internet. Also, they have an interactive voice response system for unemployment information. They are also trying to coordinate services with other employment providers in the county.

While one government employment provider believes that welfare reform is long overdue, it also causes certain problems. For example, in Indiana, there are strong incentives to move everything to the local level. However, local providers may not be up to the task. Funding is cut for programs, but people expect the programs to provide the same level of services despite these funding cuts. This respondent laments that his organization is expected to provide the same services to the same number of people, but with less staff and fewer resources. The respondent indicates that a positive impact of welfare reform has been that employment services are cooperating much more closely with the welfare department now than in the past. Welfare-to-work initiatives were implemented at the same time that funding for certain employment and training programs were cut, forcing greater collaboration between the two programs.

Many employment and training agencies indicate that they only recently added the welfare population to their caseload. A major employment and training provider in the county began its work focusing exclusively on employment programs for disabled adults. The techniques developed to work with this population are now being employed in working with the welfare population. The respondent for this agency believes that the "place and train" model that is advocated by welfare reform is much more effective than the old "train and place" model which often failed because people were trained in skills that were not needed in the marketplace. This respondent is a strong advocate of local control, believing that local welfare offices are much easier to work with than the state or federal bureaucracy.

A vocational rehabilitation provider anticipates that the agency will offer more supported employment and training opportunities. In addition, this respondent anticipates substantial growth in vocational guidance and counseling. This organization's client base is focused exclusively on adults with disabilities. The respondent has noticed that clients over the past few years seem to need more training in such soft skills as appropriate work clothing, punctuality and interpersonal relations.

Other social service agencies have added employment services to better serve their clients. A mental health provider has added an employment specialist who can assist clients in finding jobs and entering the workforce. In addition, the agency provides programs for clients to improve basic literacy and numeracy skills. A number of clients at the mental health center are unemployed and have difficulty finding employment. Often they have chronic and persistent mental illness. They frequently lack social skills, basic skills, transportation and appropriate work clothing. The agency is focusing on job preparation for these clients and offering support services once the person has found a job. This agency has also increased its work with

Vocational Rehabilitation services and with the local welfare -to-work provider. They are also more aggressively pursuing documentation of disability and inability to work.

One organization, which has only been in existence for the past two years, indicates that the agency has assisted in finding jobs for several clients. In addition, the organization has created an informal network of volunteers who can provide transportation on an irregular basis for welfare recipients. The organization is also increasing its provision of food, clothing, diapers and utility payments for welfare recipients.

Many of the critics of welfare reform say that while they support the goals of work and self-sufficiency, they believe that clients are being encouraged to do too much, too soon. They argue that many of the low-income people they serve are not ready to find and maintain full -time employment in the competitive labor market.

III. Service Demands

A. Changes in Demand for Services Since Welfare Reform

This section is designed to provide an overview of the demand for services in Greene County as perceived by social service providers. Providers listed a number of changes which have taken place in their organizations over the past five years, including shifts in the target population, expansion of services and narrowing programs to focus on the agency's core mission.

Slightly less than a third (16/60) of respondents stated their target population had changed since 1995. For most agencies, the target population has expanded over the past few years. Of the agencies interviewed, four employment and training providers mentioned that they have expanded services to welfare clientele and have shifted toward an emphasis on work first. Employment and training providers in Greene County have responded to welfare reform by emphasizing basic skills that will allow welfare recipients to enter the workforce as soon as possible to avoid reaching their welfare time limits. A mental health provider commented that the new contracts with the Division of Family and Children have become more cost -effective. This agency has also shifted its emphasis toward children and adolescents with more severe problems who need longer-term residential care. An interesting and unique response to welfare reform has been that of several home health care providers in Greene County. These agencies have begun to shift emphasis from elderly care to an expanding program of in-home health care, child development and baby wellness programs. These organizations have become increasingly involved in the First Steps and Healthy Families programs.

Conversely, some providers have shifted emphasis away from or reduced services to the welfare population. One mental health provider commented that there is much less funding for mental health services for the welfare population as a result of welfare reform. In response, the proportion of this organization's caseload that is welfare recipients has decreased substantially. Another mental health provider sees a shift in the client base toward middle and upper income

patients with insurance. Increasingly, low -income patients cannot afford mental health care on their own, if employed they may not have health care coverage, and Medicaid is reducing the amount of service that it will reimburse. An advocacy group has refined the types of issues that it will address in order to concentrate resources and in response to a funder's changes in requirements. Likewise a church that used to offer additional support services now only offers a food bank, and has narrowed its focus to its immediate community, referring people from adjoining communities to other service providers

Twelve organizations reported a substantial increase in demand for services while an additional 30 organizations reported a moderate increase in demand for services. Seventeen organizations reported no change in demand for services. Two reported a moderate decrease in demand and one organization reported a substantial decrease in demand. Food pantries mention a moderate increase in demand for services since welfare reform. Respondents representing food pantries mention seeing more single parents, including single fathers with children, and more elderly clients. In addition, a few food pantries mention more one -time clients and clients who may need assistance only a few times a year. A minister echoed this finding, commenting that the church is helping slightly more people. According to this respondent, at least some of this increase is due to people who refuse to work and can no longer get government assistance. This respondent noticed that there are more poor people in the community and more elderly people seeking assistance. In addition, the church has received more requests for assistance from single fathers raising children. Food and utilities are the most common requests for assistance and few people return to this church for services.

Religious organizations generally expressed a concern that many of the people they assist are not members of their congregation. Many churches view the social services that they provide as a means to an end. They believe that their true mission is spiritual, not material. In many cases, they intend for the support they offer to encourage people to attend the church. Often, however, people accept the assistance, but do not join the church. Similarly, one minister expressed concern that clients increasingly request cash assistance rather than food or other commodities. This respondent is reluctant to provide cash because he was not certain that the money would be used in the way the client indicated. One minister anticipates a moderate increase in demand for food, utility and rental assistance, but thought the increase might be due in part to the availability of services. In the past five years, the organization this respondent represents has seen a moderate, steady increase in demand. The organization caps assistance at \$50 per person per visit. Since welfare reform, this informal organization has seen a moderate increase in the demand for services. Most of the people requesting assistance are single women with children, but the agency has also served some two-parent families with children. A few of their clients are temporarily unemployed, and some of these people will donate to the organization once they are back on their feet.

The respondent for an organization that works with low -income young people commented that over the past few years, there has been an increased need for skills development programs. This need is particularly true for programs that teach interpersonal skills. This respondent believes that children are not being taught conflict resolution skills at home as they had been in the past.

There has not been a change in demand, but a change in the types of services requested. A behavioral health care provider indicated that since welfare reform, the clients needing services are more severely disturbed, probably due to an emphasis on moving people out of state institutions. This provider finds that the organization is offering more services to the same people. Some agencies have experienced no change in the amount or type of service requested. One agency in the Greene County area provides a number of services. The agency offers a food program, emergency shelter, Christmas gifts and a party for needy children, Thanksgiving dinner in the community and a drug and alcohol abuse program. There has been no change in these services over the past few years and the respondent does not anticipate any changes in the future. There has been no change in the needs of the clients since welfare reform as the agency has always seen repeat clients.

A nursing home anticipates a one-percent annual decrease in demand as younger people leave the area. Since 1995, the financial needs of clients at this home have been greater, with an increasing reliance on Medicare and Medicaid to pay bills. However, another nursing home respondent anticipates that the caseload will increase as the population in Greene County ages and as people who may have moved away for employment return to retire. Nursing homes are a likely employer of welfare recipients so any increased demand for their services might likewise increase employment opportunities for low-income single parents.

In general, there has been an increased demand for social services in Greene County since welfare reform was enacted. However, at least a portion of the increased demand appears to be independent of welfare reform. Some changes in Medicaid and laws regulating treatment of the disabled and mentally ill have influenced demand for certain service providers. The underlying motivation for assistance has changed the ways in which many religious service providers behave, often modifying the services they offer in order to restrict certain undesirable behaviors and encourage other more positive actions.

B. Extent of Unmet Service Demands Since Welfare Reform

This section describes unmet service demands and the extent to which social service agencies are unable to meet demand. Several respondents have general concerns about unmet needs in the community since welfare reform. A number of these respondents also worry that there has been a general reduction in services in the county due to reduced funding and a lack of volunteers. Other providers had concerns about specific services that they believed were not adequately provided in the county. For example, respondents expressed concerns about the high cost of health care, inadequate mental health care and a lack of affordable housing.

One respondent expressed mild concern that waiting lists at other agencies often meant that clients referred there were not able to receive services immediately. Many assistance programs have a fixed annual allocation of funds and when the money is spent, no more is available until the next quarter or fiscal year. The primary reason that this respondent's agency is not able to meet the full demand for services is a lack of funding. One child wellness provider has noticed an increase in the number of referrals the agency does, especially because the length of time that

a family can receive food stamps has been reduced. Clients must more often find alternative sources of food. In addition, this provider has been doing more referrals for childcare. While this respondent stated that Greene County does not have a wait list for subsidized childcare, the respondent expressed concern that families are eligible for subsidized childcare only if they earn less than 140 percent of the poverty level. This respondent believes that even families at 180 percent of the poverty level should receive subsidized childcare. The respondent was frustrated that welfare reform does not necessarily result in family self-sufficiency and would like to see more government support for childcare and children's health insurance. This organization turns people away primarily because the clients are over the income limits or because they seek services that the organization does not provide. In most cases, the agency is able to make referrals.

A child welfare respondent commented on the need for subsidized childcare, housing assistance and employment assistance. This respondent has found that local childcare voucher agencies have increased their collaboration with the Division of Family and Children. A multi-service provider in the county indicates that since welfare reform, a number of changes have taken place in the organization. The agency has taken over fiscal control of the subsidized childcare voucher program and increased involvement in the Step Ahead Council. There has been some growth in one program, but the agency still does not serve all eligible children. The program staff is also more professionalized. Welfare reform has adversely affected the WIC program and in response the agency has added evening and weekend hours to better serve working parents.

While some respondents commented in general regarding unmet demand, other people interviewed specifically mentioned reductions in services made at their own agencies. For example, one minister indicated that the church will no longer pay utility bills for low-income people. This respondent stated that the word gets out that the church no longer offers this type of assistance and demand decreases. This respondent believes that paying utility bills does not help people because they do not learn to budget. Rather, they become accustomed to assistance. Another frustration this respondent expressed was that the church could not monitor how the funds were spent. This lack of accountability is a general concern among churches. In response, many churches are shifting toward providing only food assistance over which they can exercise more control by providing commodities rather than cash. While the churches believe that they are fully meeting the need for food assistance, they are not able to meet demand for utility and rental assistance. In those cases, clients are referred elsewhere and the respondent did not know if their needs were met.

The most common reason the demand is not met is that many agencies function on a limited budget or provide services funded by a fixed grant. When the money is spent, no more is available and the agency must turn people away. Often these agencies are aware of other organizations that provide similar services and still have funds available and will refer clients there. A respondent representing an organization that works with abused and neglected children indicates that a lack of volunteers has resulted in less services for children and their families. The needs have remained constant, but without a sufficient number of volunteers, so families do not receive services.

Still other respondents comment on specific unmet needs. These include unpaid medical bills, a lack of access to appropriate mental health treatment, a dearth of affordable housing, an unmet need for food assistance, an inadequate number of qualified child care providers, and limited public transportation. One respondent indicated that medical bills are often not paid. This respondent's organization rarely pays medical bills because they are very expensive. For minor medical problems, for example flu symptoms or antibiotics for children, individuals and families may forgo treatment. For more serious medical problems, the client will receive treatment, but debts may remain for a long time. One respondent from a home health care facility expressed concern that since welfare reform, more people are falling through the cracks and not receiving the home health care services they need. Home health care services are often not fully funded by the government.

A mental health care provider expressed concern that the demand for mental health services has quadrupled over the past five years. Yet, funding for mental health care has been reduced or eliminated in many cases. Hoosier Healthwise, the state-funded health insurance plan for low-income residents, does not pay for mental health care; so many low-income people cannot afford care. People continue to face issues of depression, inadequate parenting skills, child management difficulties and stress. However, since low-income clients cannot afford services, they often do not receive them. In general, mental health providers expressed concern about the lack of community-based outpatient mental health services. One residential provider states that in the past it has been difficult to get patients into these programs, but that more recently access is improving. Several mental health providers indicate a need for more adolescent mental health services, especially residential programs. In general, the health needs of low-income people are often inadequately addressed or leave recipients in extensive debt.

An economic development organization in the county expressed concern about a lack of affordable housing in the area. While there is subsidized housing for low-income families and seniors, there is very little unsubsidized affordable housing for working class people. This organization has been trying to attract a developer to provide affordable housing, but so far has not had much luck. A provider of rental vouchers for subsidized housing indicates that it is very difficult to find four-bedroom rentals for large families. In addition, on occasion, this respondent has received a request for a two-bedroom rental and has not been able to find a suitable one. Conversely, a public housing facility in a small town in the county has depleted its waiting list. The respondent did not know why they are able to find housing for everyone on the wait list but thought that perhaps people found employment or left the area.

An unmet need that the respondent identified is the lack of affordable child care, especially for the working poor. The respondent also expressed concern that there is a lack of public transportation in the community, which makes commuting to employment more difficult. The respondent's agency considered placing a job opportunities bulletin board in the office, but clients were not interested. The respondent thought this might be due to the fact that most clients are in the office irregularly or perhaps because job bulletin boards are available elsewhere. This organization provides rent subsidies, but cannot help people who face immediate eviction and

homelessness. As a result, a number of people in dire need are turned away. A respondent who runs a domestic violence prevention program expressed concern that victims are being forced to work when they are not yet ready and still quite traumatized by their experiences. In addition, the abuse may have undermined the parent's ability to discipline the children, yet the parent is punished under the Personal Responsibility agreement for the child's truancy. This organization has turned away applicants who did not fit their service profile, but has not denied services to any domestic violence victims.

A minister that runs a food pantry indicated that demand for services has increased since welfare reform in 1995. Another minister also indicated a minor increase in use of the food pantry since 1995. This respondent attributed the increase to a lack of alternative service providers. The needs of clients have become somewhat more severe since 1995. The caseload has increased and clients are more often young families with children. Single parents frequently head these families. Some people only come to the food pantry once or twice a year, whereas others come every month. This respondent has noticed an increase in the number of people who come to the food pantry once or twice a year. In addition, this respondent reported an increased number of referrals from township trustees. A church that is quite active in a rural area of the county has seen an increase in its caseload. This respondent also reported the people his organization serves have needs that are more extreme.

Another respondent who runs a religious food pantry has noticed approximately a 10 percent increase each year since 1995 in demand for services. The respondent attributes this increase at least partly to the high unemployment rate in the county. In addition, the food pantry can assist people while they are awaiting approval for food stamps or public assistance. The respondent has also seen clients who have run out of food at the end of the month and need assistance until the next monthly assistance check arrives. While some food pantries indicate an increase in demand, others state that they have seen no change in demand. In either case, it seems these providers are able to meet the food needs of low-income Greene County residents.

One childcare provider expressed concerns about the number of unmet needs in the county. For example, this respondent expressed concern that childcare subsidies do not last long enough to allow parents to reach self-sufficiency. Parents may lose their eligibility for a subsidy before they have had time to find a job that would allow them to pay for childcare without assistance. Because infants and children under two need individualized care that this center cannot provide, they do not offer the service. But this type of care is needed in the community. In addition, this provider often has a wait list for the two-year-old class. This respondent stated that the center maintains a list of people who offer babysitting in their home. If the day care center cannot offer a parent childcare, they will refer parents to private babysitters.

One alcohol and drug abuse treatment facility expressed concern about the lack of public transportation in the county. Many of this agency's clients have lost their driver's licenses as a result of their substance abuse and have difficulty finding transportation to the outpatient treatment facility. The agency also expressed concern that since 1995, it has been increasingly difficult to find residential placements for substance abusers. There are now fewer residential

treatment facilities in the county, but it is not clear that this is attributable to welfare reform. Rather, this respondent believes that changes in how the state compensates providers for mental health services do not work well for rural counties such as Greene.

C. Welfare Reform as Causes of Increased Demand

Many respondents were reluctant to link increased demand directly to welfare reform. Yet, many providers have seen increased demand for services since 1995. In many cases, changes in demand can be linked to economic changes. In all cases, at least a third of all respondents commented that a specific economic factor had no influence on the demand for their services. The top three economic factors influencing demand for services according to service providers in Greene County are local economic conditions, unemployment and federal government cutbacks. A majority (31) of respondents named local economic conditions as increasing demand for social services in their communities. Four said that local economic conditions had resulted in a decrease in the demand for services, 25 said it had caused no change and one respondent did not know. Twenty-eight respondents said that unemployment has resulted in an increased demand for their services, five said it has reduced the demand for their services, 27 said it has resulted in no change and 1 did not know. Twenty-four respondents listed federal government cutbacks as a cause of increased demand for their services. Twenty-five said that federal government cutbacks did not change demand. Six respondents commented that it decreased demand and four did not know the impact.

The next most common reasons for increased demand were loss of a major employer, lack of transportation and changes in population composition in the county. Twenty-one respondents commented that a major employer leaving town or going out of business had increased demand for their services. Twenty-nine stated that this factor had not changed, 5 stated that it had decreased demand and 4 did not know the impact. Twenty respondents commented that a lack of transportation had increased demand for their services, 4 said it had decreased demand, 34 said it had resulted in no change and 1 did not know. Nineteen respondents listed a change in the population composition as a cause for an increase in demand for services. One said this factor resulted in a moderate decline in demand for services, 36 reported that this factor had no impact on demand for services and 3 did not know.

Other factors causing increased demand for social services include state government cutbacks, lack of affordable childcare, increased local education and training opportunities, and inflation. Eighteen respondents commented that state government cutbacks had resulted in an increase in demand for their services, while four said these cutbacks had resulted in a decreased demand for their services. Thirty-five reported no change in demand as a result of state government cutbacks and two did not know. Sixteen respondents commented that a lack of affordable childcare resulted in an increased demand for services and 7 said it resulted in a moderate decrease in demand. Thirty-one said it had resulted in no change in demand for services and five did not know. Fifteen respondents identified increased local education and training opportunities as resulting in an increase in demand for services, 37 said it had resulted in no change and two commented that it had decreased demand for services. Five did not know. Twelve respondents

stated that inflation had resulted in an increased demand for their services, 43 saw no change and two witnessed a decrease in demand as a result of inflation. Three did not know the impact of inflation on their organization. Both local government cutbacks and decreased local education and training opportunities were each listed as increasing demand for services by 9 organizations. Three organizations said that local government cutbacks had resulted in decreased demand, 43 said this factor had no effect on demand and four respondents did not know. Three respondents stated that decreased local education and training opportunities had resulted in decreased demand for services, 44 said it had no impact and four did not know. Eight people stated that a major employer has not entered town since 1995, increasing demand for their organizations' services. Forty-four reported that it had no impact; two stated that it decreased demand for services and four did not know.

One organization attributes increased demand to improved advertising. This agency provides educational and recreational programs for girls in Greene County and is serving more girls since 1995. The respondent attributed this increase to a population increase and the agency's improved recruiting methods. The respondent stated that the organization is seeing more girls who seek financial assistance to participate in activities. Another agency has seen a shift in the types of services requested. A respondent whose organization provides services for disabled adults has seen an increase in the number of older clients that the agency serves. In addition, the organization is shifting away from group home and institutional settings to provide more in-home services to allow clients to live independently. This organization advocates for the additional support services that disabled welfare recipients require in order to enter the workforce. The major unmet need that this organization experiences is long waitlists for respite care. Many families wait for several years to receive respite care for their disabled family member. This waitlist is due in part to the fact that the organization has had some bad years financially and is not able to accept additional clients until the budget is back in order.

D. Extent of Unmet Employment and Training Services Since Welfare Reform

Social service providers in Greene County identified three major concerns surrounding unmet employment and training service needs since welfare reform. First, a number of providers stated that many low-income people lack basic skills and there are not enough training programs available for them. Second, many employment and training programs lack funding to help all the clients requesting services. Finally, many employers do not take advantage of the tax incentives available to encourage hiring and training former welfare recipients.

A number of service providers express concern that many welfare recipients lack the skills necessary to find and maintain employment. A minister in the community indicated that many of the adults coming to the church for assistance lacked basic education and skills. This respondent felt that many of the people he assisted could not find a job until they remedied basic educational deficiencies. Similarly, a behavioral health care provider indicated that many of the easier-to-place clients have found employment and are no longer receiving public assistance. This respondent felt that the incentives for providers should change now that the remaining clients are more difficult to place in employment. A respondent who represents a private, for-profit job

placement organization expressed concern that since welfare reform it has been difficult to recruit qualified applicants for jobs. Welfare reform has increased the number of people visiting the organization looking for employment services, but many lack the necessary skills to find work. While this organization is making increased use of the Internet to recruit technical and professional workers, it has been difficult to find qualified entry-level employees. This respondent has noticed an increased emphasis in the job market on skills and education.

In response to these concerns, a number of possible employment and training initiatives are being considered currently. One respondent indicated that the government agency he represents has approached some large employers in the county about supporting a training program. Another employer had supported a private transportation service to bring workers to the company, but no one rode the vans and the program was discontinued. The respondent's agency is considering a greater emphasis on life skills training and more assistance in resume preparation for job applicants. However, skills training programs initiated in the past have struggled. For example, a home health care provider in the community sponsored a home health aide-training program for several years; however, the respondent believes that the market is saturated for these skills. The program was discontinued because workers were having trouble finding jobs. A childcare provider considers apprenticeships and employment training as part of the agency's mission. As a result, this provider has employed and trained a number of people who have gone on to open their own daycare centers. While this approach may increase the original provider's competition in the long run, the respondent believes that there is a sufficient need for quality day care throughout the county that the competition has not yet become intense.

A major cause of unmet demand for education and employment training is a lack of funding. One respondent from a government employment and training organization indicated a severe unmet need as the result of a lack of funding. In 1977, a program that provided summer employment for youth had 100 participants. Due to funding cuts, according to this respondent, last summer the program had only 30 participants. The respondent's agency has fixed eligibility requirements such that the agency's caseload must consist of a certain percentage from each of several targeted groups. The result is that the agency is restricted to serving only the most needy and the most expensive. This respondent believes that the agency could serve people outside the targeted groups for a much lower cost, but the agency is at capacity with their targeted clientele.

One way for employers to offset the cost of training former welfare recipients is by taking advantage of new or existing tax incentives. An employment and training provider in the community indicated a slight increase in the organization's caseload since the enactment of welfare reform. The organization is attempting to publicize the worker opportunity tax credit and the state employer tax credit with employers to encourage them to hire certain targeted low-income workers. This respondent indicated that the local economy in Greene County lags behind the rest of the state. However, for the most part, those people who remain unemployed are clients who have multiple barriers or who are unwilling to better themselves. This respondent did express concern that while welfare caseloads have decreased, it is not clear that people's quality of life has improved.

IV. Organizational Structure and Collaboration

A. Extent of Intra-Organizational Change and Collaboration Since Welfare Reform

Several organizations mentioned changes within their organizations since the enactment of welfare reform. Though these shifts may not be directly linked to welfare reform, they do reflect changing priorities within the social service provider community. Organizations have made changes related to programs for youth and childcare, introduced new programs and increased referrals.

One religious organization has shifted its focus toward the youth in the community. Toward this end, the church is increasing its financial support of a residential home for abused and neglected teenagers. In addition, the church has increased its support for an alternative private school in the community. This school has set aside a certain number of slots for public school children. Church members sit on the board of both these organizations. A church in the county runs a program that is similar to a religious version of the Boy Scouts. The program recruits both boys and girls to participate in memorizing bible verses, completing volunteer work and other tasks to earn patches and awards, and a formal program of games and recreational activities. Another minister in the same community commented that 40 percent of his congregation is children under the age of 12. In response to this fact, the minister intends to increase youth programs over the next five years. This church intends to increase its work with Headstart so that members of the congregation with young children have access to appropriate social services.

One childcare provider in the county has noticed an increase in the proportion of parents that need subsidized childcare since welfare reform. In response, this provider has been making efforts to reduce costs so that parents can afford licensed care. For example, this provider has cut bonus pay and other financial incentives for staff because the program is not earning as much money. This provider expressed concern that many parents can find only minimum wage jobs and do not earn enough to afford quality childcare. This respondent also expressed concern that when parents do receive subsidized childcare, the subsidies do not last long enough for the parents to attain self-sufficiency. Over the next few years, this provider anticipates providing increased services because the strong economy will mean that more parents are employed and need child care. This provider also anticipated greater involvement with the social service network in the community and expanding programs for single parents and teenage parents.

One religious organization located in a more rural area of the county has undertaken a number of creative programs to assist the poor in the surrounding areas. For example, the church maintains a “deacon’s fund” to provide money for food, utilities and car maintenance. The congregation also raises funds to assist fire victims. The church maintains a food pantry, which according to the minister, is used more heavily at the end of the month, during longer months and when government checks are behind. The church also organizes an annual “free yard sale” where church members gather items from the community and give them away free to the needy. Every three months, church volunteers change the oil and provide general maintenance on the cars of senior citizens and single mothers. In addition, a group of retired men from the congregation

will make home repairs, charging only for the cost of supplies. The church intends to offer a daycare program within the next year. The church emphasizes eventual self-sufficiency, helping people budget their money and allowing them to develop a “nest egg” before gradually weaning them off assistance.

One respondent indicated that since welfare reform, the agency has become much more aware of other services in the community. This agency is primarily a food pantry, although it will provide a limited amount of other assistance. Over the course of the past few years, staff at the agency has learned of other resources in the community that can provide the services this agency does not. As a result of this increased awareness, this agency has reduced the amount of these other services that it provides and instead increased the number of referrals it makes to other agencies in the community. This response is pretty typical of a number of comments made by respondents from religious programs. These organizations indicate that they are becoming more aware of other resources in the community and referring applicants elsewhere rather than attempting to provide services themselves. A multi-service program organized by an individual but relying heavily on community volunteers to provide mentoring and counseling for clients has expanded significantly over the past two years. The organization is religiously motivated but not affiliated with a specific church. The program director is currently in the process of applying for grants after several years functioning exclusively with the help of volunteers and donated supplies. This agency is a unique example of a policy entrepreneur in Greene County, one person single-mindedly pursuing a vision of how a social service program should function.

A number of organizations have focused their mission more clearly in the face of welfare reform, often concentrating on a single service and making referrals for other services they previously provided directly. A greater awareness of other providers in the community has enhanced the various social service agencies’ ability to focus on a specific mission. In addition, several individuals have been key in developing their own visions for social service provision in the community, mixing creative approaches in meeting the needs of low-income families.

B. Nature of Intra-Organizational Change and Collaboration Since Welfare Reform

Employment agencies, youth services programs, health care services and housing providers have all experienced changes since welfare reform. For example, a respondent representing an organization that provides employment and training programs for welfare recipients in the county anticipates that over the course of the next few years, there will be a shift away from program-oriented service provision to more person-centered and person-directed services. It would seem that this respondent expects that the services provided by the organization will become more individualized over the next few years. Since welfare reform, this agency has added welfare-to-work services to its repertoire of programs. In addition, the agency has expanded to include services for unemployed and underemployed low-income residents of the county. The agency is shifting toward more individualized services to better meet the needs of clients facing multiple barriers to employment. A respondent representing an organization that provides employment and training services in the county described another agency reaction. This person stated that welfare reform has allowed the agency to broaden the scope of its

services. Prior to welfare reform, the agency focused exclusively on providing employment and training programs for disabled adults. Since welfare reform, the organization has been able to apply proven techniques for moving disabled adults into the workforce from the welfare population. The respondent feels that this is a very effective approach in moving welfare recipients into jobs.

A respondent who represents an agency that provides institutional care and counseling for children indicated that the organization has expanded significantly since welfare reform. Until 1994, the organization ran one small group home. Since that time they have expanded services considerably. The organization now provides foster care, therapeutic foster care, home-based services and mental health case management. In addition, while the organization originally only served one gender, they now provide services for both boys and girls. The organization has doubled the number of children services. However, the respondent believes that all these changes are independent of welfare reform. Over the next few years, the organization anticipates expanding these services and moving into the home health care field.

An alternative education program recently opened in the county as an attempt to decrease the inflated high school dropout rate and to provide workers with the basic skills necessary to find a job. The program works with students that have behavioral problems. In addition, it provides programs for returning high school students, a GED course, and individual and family counseling. Over the next few years, the respondent believes there will be an increase in the number of students served. Already, the respondent notices that students often begin having problems in school either in middle school or as they reach the end of high school. As a result, there is a considerable age difference within the alternative education program.

A respondent from a home health care provider in the community indicates that the agency has increased the pediatric population in its caseload since welfare reform. In addition, this organization is working more closely with the First Steps program in the county. In the past few years, this provider has established a pediatric home health care program which it is now marketing to a regional hospital. This response is common among home health care providers. These organizations have shifted resources away from providing elderly care and are increasingly looking toward pediatric care for revenue. At least one of these organizations also provides assistance in transitioning disabled adults into the workforce, but makes efforts not to duplicate the services of other providers in the area.

Since welfare reform, one subsidized housing provider states that current clients are not of the quality seen in the past. This respondent is more familiar with working with low-income elderly people and seems less comfortable providing services to low-income families. According to this respondent, most clients do not have steady employment and many are divorced women, often with children. In response to increased demand and outmoded facilities, family housing was remodeled recently with new appliances, cabinets, and carpeting. Agencies have responded to welfare reform by expanding their client base to include welfare recipients or by expanding to provide more services in general. Some respondents seem more or less comfortable with their

agency's new clients or new services and prefer working with the organization's historic client base.

C. Extent of Inter-Organizational Change and Collaboration Since Welfare Reform

In general, most social service agencies in Greene County are aware of a number of other providers and they are able to refer clients to other agencies for services. Of the 60 respondents, forty-five percent (27/60) could list at least 10 other organizations with which their agency works. Eight percent (5/60) could list 9 organizations, almost 7 percent could list 8 organizations, and almost 12 percent (7/60) could list 7 organizations. More than 8 percent (5/60) could list 6 organizations and almost 7 percent listed 5 organizations. Five percent (3/60) listed 4 organizations, almost 7 percent (4/60) listed 3 organizations and one organization could list only 2 agencies with which it worked.

In the vast majority of cases, these organizations had worked together prior to 1995. Most of the other agencies mentioned are direct service providers. In many cases, the two organizations serve the same target area and population. Most of the named organizations were larger than the respondent's organization. The most commonly mentioned organizations were not -for-profit agencies. The second most common type of organization listed was public or government organizations. Religious organizations were next and the fourth most commonly named organization was a for-profit organization. Township trustees were named the least often. However, about half the organizations named were part of a larger network of organizations.

Seventeen organizations reported that they were affiliated with the United Way. Eleven stated that they were part of a larger church or religious organization. Twenty-one are part of a national federation or network. Thirty-seven are part of a statewide association and 35 are part of a local network. One agency that provided educational and recreational programs for girls in a multi-county area has increased its collaboration with the 4H program. An economic development provider has begun working more closely with the local workforce development office since 1995 in trying to recruit new industry to the community. This respondent expressed concern that many communities are competing for new industry. Greene County is at a disadvantage because it lacks infrastructure, particularly a major road or highway for transportation. This respondent is a strong advocate for the proposed Interstate Highway 69 connection through the county as a means to attract industry and jobs. A vocational rehabilitation provider indicated increased collaboration with private job placement providers, including the county welfare-to-work provider. In addition, this organization works closely with workforce development. This provider also makes referrals to for-profit support service providers.

Since welfare reform was enacted in 1995, 19 respondents stated that their agency had joined or established a network of organizations. Twenty agencies had participated in or sponsored a forum on government budget cuts and public policy changes. Ten organizations had joined or participated in formal protests or rallies against recent public policy changes, including lobbying efforts and 13 organizations had done the same supporting recent public policy changes. In

general, less than half of the social service providers interviewed are politically active in the community.

In 1997, home health care agencies in a multi-county area united to educate the community about decreased government funding for home health care and the impacts this decrease was having. The agencies also met with state and federal officials to express their concerns. A respondent from the home health care field believes that welfare reform has caused the industry in general to downsize as fewer services are covered by government insurance. However, this respondent stated that the funding cuts have made the industry more politically active and involved.

For the most part, half or more of the interviewed organizations collaborated with other social service providers in the community. Twenty-one organizations have developed mutual board membership with other service providers, 35 have increased joint activities or programs with other service providers and 46 have increased referrals or information sharing with other service providers. Only 9 respondents said that their agencies had not been involved in any efforts to influence public policy or coordinate services with other community organizations. One food pantry in Greene County has increased its collaborations with a food pantry in the adjoining county. They are increasingly making more referrals to each other. Providers in Greene County are becoming more aware of other agencies in the community and as a result are making more referrals. This awareness has also allowed individual agencies to focus on a single service and has permitted agencies to expand their referral network.

D. Nature of Inter-Organizational Change and Collaboration Since Welfare Reform

Social service providers in Greene County use a variety of methods for advertising. Informal contact with other providers is the most common advertising method. Formal contact is the second most common and brochures/flyers is the third most common. Ninety percent (54/60) of the organizations interviewed use informal contacts with community service agencies to advertise their services. Eighty-two percent (49/60) also have formal ties with these organizations to advertise their services. Seventy-two percent (43/60) put brochures or flyers in local community service agencies to advertise their services. These relationships indicate a willingness among providers to share information about each others' services and to make referrals to other organizations within the community. However, these contacts were often not the most important referral method. Twenty-eight percent of respondents (17/60) listed one of these three types of advertising as the most important method, with informal contacts being mentioned the most often (9 times). Thirty-seven percent of agencies (22/60) listed these relationships as the second most important advertising method, with 10 agencies listing brochures and flyers in local community social service agencies as the second most important advertising method.

Respondents also discussed how clients might be referred to them. Forty-five respondents stated that a local non-profit social service provider might refer people in need of their services. Forty-two respondents stated that people might be referred by a local religious organization. Thirty-

nine respondents said that people might be referred by a government organization other than the welfare office and 37 indicated that the welfare office might refer people to their organization. The most important referral method, however, was word of mouth. Referral by a government agency other than welfare was the second most common specific method listed (12 people listed “other”), 5 people named referral by a local non-profit provider, 4 people listed the welfare office and 2 people indicated a church. As the second most common referral method, 9 respondents listed a local non-profit, 8 listed the welfare office, and 6 each listed a church or a government agency other than welfare. From these responses, it seems that the referral networks are not very strong among providers in the county. However, it is also possible that many providers are not aware of how clients found out about the services provided because often the provider will not specifically ask this question. In addition, it may be difficult to distinguish between word of mouth and informal referrals from other agencies.

A number of churches that have food pantries have united to coordinate their services. One of the ministerial associations in the county has created a system whereby clients seeking assistance, primarily help with food and utilities, but also gasoline, rent or other payments, must have a voucher from the township trustee or other government agency indicating need. The churches believe that these vouchers demonstrate that the clients are truly needy and reduce the likelihood of double dipping. There was sizeable concern in the religious community that individuals and families were going from church to church requesting assistance, taking advantage of the charity and receiving more help than they deserved. These agencies seem confident that the trustees will adequately screen applicants. In addition, local churches appear to be limiting their assistance primarily to food and referring applicants to other social service providers in the community for additional types of assistance. A few churches financially support these other organizations, but many have focused their resources almost exclusively on the provision of food assistance.

A respondent whose agency works exclusively with welfare recipients indicated that the agency has doubled its collaboration with the township trustees. In addition, this agency works much more closely with the county employment training program since welfare reform. This same agency has been active with the County Step Ahead Council through formal and informal contacts. The most significant project in this collaboration has been the Healthy Families program that focuses on reducing child abuse and neglect in the county. The program was originally funded by the Indiana Division of Family and Children, but now receives grant money. One agency, that provides educational services for disabled children, contracts with for-profit organizations to offer physical and occupational therapy. In addition, this organization has increased its collaboration with the First Steps program in the county. First Steps provides developmental services for children from birth to three years of age. The respondent’s agency then offers services for disabled children from three years of age onward.

A respondent representing an agency that provides programs for low-income youth indicated that the organization has increased collaborations with the county department of mental health to provide after school programs for low-income adolescents. The respondent believes that this program is particularly effective because low-income children are not as likely to participate in

Scouts or 4H as their middle-income peers. This program keeps these children out of trouble in the afternoons. In addition, this agency has begun a mentoring program for children on probation. The agency trains volunteers to work with children on probation.

A government employment provider has increased its collaboration with non-profit employment and training providers in the area. An example of this cooperation would be co-sponsoring a job fair with the county welfare-to-work provider. Employers at the job fair were primarily from Bloomington, Vincennes and Terre Haute, all cities outside of Greene County, requiring the employee to commute or move. This respondent reported that a few people found employment as a result of the job fair. Similarly, welfare reform has resulted in cooperation between a Protestant congregation and a Catholic church. The Protestant church runs a food pantry that serves families with last names in the first half of the alphabet and the Catholic church's food pantry serves people in the second half of the alphabet. Both churches provide cash vouchers to be used at the grocery store as well as frozen and canned products. In addition, the First Steps program in the county has developed a manual for social service agencies that lists all the providers in the community and where to refer people for food, housing, utility assistance and other services.

IV. Summary of Results

A. Impacts on Social Service Organizations and Provider Networks

The social service delivery network in Greene County is stratified into three segments. The first layer is a set of several large, primarily non-profit, multi-program agencies that serve several counties in the area. These providers are not headquartered in Greene County, but provide services in the county and often have one or more branch offices in the County. They often are affiliated with national or statewide organizations. These organizations are the most professionalized, with multimillion-dollar budgets, employing more than 50 people, many of whom have an advanced and specialized educational background, regular office hours and full-time hours of operation. These few organizations receive federal and state contracts and grants and may also receive private grant funds. They represent the backbone of basic support services, including utility assistance, employment and training programs and child care vouchers. People in dire need are likely to turn to these agencies first and supplement the assistance they receive from these agencies with help from organizations in the remaining two categories.

The next segment of the social service delivery network in the county is a number of local offices providing support services. These organizations tend to be located in a single office in the county, but may maintain part-time additional office space in another town in the county. They often are affiliated with a national organization or statewide program. While the first segment of the network tends to provide a number of different services, the agencies that compose this second segment specialize in providing one type of service or focusing on a particular client group. For example, these organizations may provide after school programs for troubled youth or services to single mothers. These providers are relatively small, often with

only one or two employees, but rarely with more than ten employees. At least one employee in the organization has a specialized degree or extensive practical experience working with the target population. For the most part, they maintain full -time business hours.

The third segment of the social service delivery network in Greene County consists of a number of agencies, often with a religious affiliation, for which social services are an auxiliary mission. This group of agencies provides the least formal services. These organizations often do not have regular business hours and are rarely open full -time. Volunteers often staff them and if paid staff is employed, social service delivery is not their main job. The staff rarely has specialized experience in working with a low -income population. In Greene County, these are the most numerous social service providers although because they operate on such a small scale, their programs primarily supplement assistance from other sources.

A number of specific examples illustrate how welfare reform has impacted social service organizations and provider networks. Several respondents saw the positive influences of welfare reform. For example, one employment and training provider indicated that a strength of welfare reform is that it has increased communication among agencies. In addition, it has encouraged innovative approaches. For example, the welfare department and several other agencies in the community collaborated on a “Barriers to Bust” grant application for improved transportation assistance. In addition, funds for childcare have been increased substantially. The co -location of employment services and training programs is a positive aspect of welfare reform. This respondent also mentioned that welfare reform has resulted in the inclusion of the trustee association in the county social service discussions.

One respondent indicated that there were few organizations providing assistance to low-income people prior to 1995. Now, with more agencies, there is greater coordination of services and no one organization must bear the entire burden. One respondent representing a religious organization expressed the belief that as the government reduces funding for social services; churches will increasingly take up the slack. As a result, this respondent felt that the church’s outreach and assistance efforts would increase over time.

Despite progress in social service agency collaboration, a few challenges remain. For example, a minister in the community complained that it has been difficult to work with the county welfare department. This respondent stated that the county would often not share information with the organization regarding the circumstances of the applicant. As a result, the minister could not determine if the applicant was truly worthy of assistance. However, the minister was reluctant to share any information he had about clients and their circumstances with the welfare department because he felt that the department did not keep the information confidential. Cooperation has been difficult on other issues as well. Attempts to create a uniform application form have not succeeded so far, but social service providers in the community continue to work on this issue. Most providers are interested in a uniform application in order to standardize eligibility, prioritize need and make appropriate referrals. In addition, there is a general concern that people who do not deserve help are receiving it and somewhat less concern that people who deserve help are not receiving it. Many respondents are pleased that people no longer receive an easy

handout. They also believe it is good that low-income people are being encouraged to learn a skill and to go to work.

B. Impacts on Individual Social Service Providers

The majority of respondents (36) stated that their organization saw no change in the number of employees since 1995. Changes in staffing tend to be relatively minor, involving adding one to two employees, or increases in staff hours. One organization reported that they did not have a change in the number of employees, but that the types of skills that they need vary depending on the funding grant. Therefore, the individuals they employ will change over time while the total number of employees remains the same.

Of the remaining organizations, 19 stated that they had seen an increase in the number of people they employed since 1995. Most of these changes were minor, with small organizations adding one or two staff members. Likewise, some organizations mentioned that they had increased the hours of existing employees. For example, a half-time secretary in 1995 may now be working three-quarters time. Also, several organizations mentioned increasing their volunteer pool, which allowed paid staff to focus on other areas. Several organizations mentioned hiring more professional staff with specific health care training, accounting experience to assist with grant applications or additional professional social workers.

Five organizations mentioned a decrease in staff. Of these, one respondent reported that there is less demand for childcare services now that a major employer has left the area. In addition, this respondent felt that increased competition is another reason that the childcare providers have reduced staffing. Several organizations mentioned a shift in emphasis, but no overall staff changes. For example, one health care provider has increased the number of pediatric health care workers. Another organization has eliminated a secretarial position and replaced it with a full-time caretaker job. A third organization has increased the number of skilled nursing staff, but not changed the overall number of employees.

Organizations have also seen changes in their client base. Six organizations stated that they had reduced the number of applicants served since welfare reform was enacted in 1995. Fourteen organizations have tightened eligibility requirements for services. Ten have reduced the level of service provided to individual applicants and 11 have eliminated a specific service or program.

In contrast, 40 organizations have expanded the number of applicants served, 15 have expanded eligibility requirements for services, 29 have increased the level of service provided to individual applicants and 31 have introduced a new service or program. One religious social service provider that had previously offered a number of services is now reducing the services it provides as a result of decreases in funding and fewer volunteers available to help. This organization is limiting its services to residents of the immediate area and turning away residents from adjoining towns. In addition, this provider only offers a food pantry now, and will not provide utility assistance, rent payments, help with medical bills or transportation anymore. Word has spread that these services are no longer available from this organization and demand

has decreased as a result. A behavioral health provider has expanded services to include the deaf and hearing-impaired but the respondent indicated that this change is unrelated to welfare reform.

One provider of homemaker services and parenting skills programs has noticed more people in need of services and a greater demand for weekend, early morning and evening visits to accommodate clients' work schedules. There has been a 20 percent increase in demand for services over the past five years, but the respondent believes that this change is due in part to the agency's new, more centralized location. Welfare reform has also resulted in increased demand, as parents are eager to gain the skills necessary to successfully enter the labor force. Unlike the home health care industry, which in some cases has shifted its emphasis from geriatric patients to pediatric cases, some mental health providers are moving away from children and young adults to focus on the geriatric population. One residential care facility that had focused on drug and alcohol detoxification, now is increasingly working with elderly patients with Alzheimer's disease and other forms of dementia.

In addition, some respondents mentioned a shift in funding or changes in staff training since welfare reform. An employer mentioned that as a result of welfare reforms, his organization has become much more creative and efficient financially in response to less federal and state funding. Due to stricter reimbursement guidelines for the services provided, the organization is struggling with providing services at a reasonable cost without losing money. At least two non-profit organizations have established for-profit subsidiaries to help fund their operations and to give their clients work experience prior to entering the competitive job market. In both cases, the results have been mixed. Both respondents indicate that running the for-profit subsidiary has been more challenging than they anticipated, mainly due to clients' lack of work-preparedness.

One respondent whose agency works exclusively with welfare recipients indicates that it has been a difficult transition to teach staff to give a blanket answer to people in need. At this agency, efforts have shifted away from individualized assistance programs to a work first goal for almost all clients. Certain staff members have had difficulty adapting to this shift in emphasis. A respondent who represents an organization that works with girls in a multi-county area stated that a major cause of unmet demand for services is a lack of volunteer adult leadership. It has been difficult to recruit adults to assist in the programs and therefore some girls have been turned away.

Service providers have increased the number of staff on the payroll or extended the hours for existing staff. In addition, some agencies have employed people with particular skills to assist their clients. Other agencies have shifted emphasis in response to welfare reform. Still other agencies are experimenting with new methods to move clients toward employment.

C. Impacts on Clients

Several employers listed the lack of transitional benefits (child care, transitional Medicaid) as a major disincentive for welfare recipients entering the workforce. Some employers mentioned

that welfare reform has resulted in more job applicants as recipients are strongly encouraged to enter the job market. One respondent commented that his organization has seen an increase in the job applicant pool in other counties where facilities are located, but that this is not the case in Greene County. As an employer, one nursing home director supports welfare reform's emphasis on employment, but expressed concern that there is a lack of transitional support services for former welfare recipients. This respondent commended welfare reform for encouraging low-income people to work, but worried that his current employees who are former welfare recipients have to sacrifice Medicaid eligibility and subsidized child care. He felt it was wrong for people who worked to be worse off than those who remained on public assistance. He felt that welfare reform should put a greater emphasis on transitional services to encourage people to find and maintain employment.

Some respondents expressed a lack of confidence in public assistance recipients and seemed to blame them for their situation. A respondent representing an agency that works exclusively with public assistance recipients indicated that many clients do not know what they need to become self-sufficient. According to this respondent, the greatest need for many low-income people, especially those transitioning into work, is health insurance. One respondent indicated that clients often reach their time limits due to a lack of preparation.

One respondent whose organization provides educational services for disabled students expressed a concern that the local welfare department has been overwhelmed by the changes instituted as part of welfare reform. The result is that the welfare department does not adequately investigate allegations of child abuse and neglect according to this respondent. This respondent was also concerned about severe truancy among certain youngsters, which the respondent reported to the welfare department as an educational neglect issue. However, the respondent felt that the issue was never investigated or addressed. Another respondent, a mental health care provider, also expressed concerns that child abuse and neglect allegations were not pursued and that the names of individuals who made reports were not kept confidential. This respondent reported harassment of people who made child abuse or neglect allegations.

Most service providers indicate that they do not assist clients in challenging the welfare department when they have reached their time limits or been sanctioned. Instead, most providers would refer the client back to the welfare department or to the legal services organization. A few social service agencies have caseworkers who advocate on behalf of clients with the welfare department. A respondent for an organization providing legal services states that over the past few years, the organization is representing more people with employment-related problems. In addition, they see more people accused of welfare fraud who need representation at a termination hearing. They are also seeing more home foreclosures and consumer credit problems.

D. Variables Linked with Successful and Unsuccessful Adaptation of Social Service Organizations to Welfare Reform

Three factors are instrumental in allowing social service providers to adapt to the changes resulting from welfare reform. A key factor in allowing agencies to prosper in the shifting climate of welfare reform is strong links to the local social service network. Related to active participation in the local network, successful agencies are able to rapidly respond to changes in available funding. Likewise, networking promotes an agency's ability to tailor services to a new population.

A key component of successful adaptation to welfare reform is active involvement in the local social service network. In Greene County, a formal and informal collaboration of certain social service providers constitutes this close-knit community. These service providers coordinate with government agencies in order to get referrals and contracts. They may also refer clients amongst themselves. In Greene County, several respondents feel that being a part of this network is at least partially a political process. Some respondents express concern that dissenting views are not welcome within the network. One respondent recalled voicing concern about the lack of a particular social service in the community and feeling unwelcome at subsequent meetings. That respondent's agency is no longer part of this informal local network. Other respondents whose agencies are not as involved indicate that the network is rather close-knit and clubby. As a result, these respondents believe that it is difficult to become a part of the social service network. If an agency is not part of that network, it is more difficult to survive. As a result, several respondents have mentioned that their organizations have moved away from serving the welfare population to provide programs for clients who can pay for services. Being a part of the local social service network offers opportunities for funding and expanding the agency's client base.

Successful social service agencies are able to respond to shifts in funding. They can adapt to receive private funds when they previously had relied on government grants. One respondent specifically mentioned that the program began with government funding, but is now able to attract private funds to continue. Steady and reliable sources of funding are key for an organization to succeed and grow. Agencies that are too dependent on a single source of funding are hard-hit by cutbacks. For example, a mental health care provider in the community is struggling to build a middle-class practice now that the public assistance office has reduced referrals. A multi-service agency has had to deny people utility assistance when a government grant was exhausted. Many respondents comment that a main reason that their agencies are not able to meet demand is a lack of funding. Successful agencies manage to maintain funding, often drawing from both public and private sources.

Another successful adaptation strategy for social service agencies is to shift their mission in response to changing demands. A number of social service agencies in Greene County have expanded, transformed or refined their missions in response to welfare reform. For example, several employment and training providers who previously focused services on the disabled, have added the welfare population to their caseloads. These organizations grew by expanding

their caseloads. Several nursing homes and home health care providers are shifting emphasis from elderly care to child development and wellness. A home health care provider specifically mentioned that the need for elderly care has stabilized, but the need for home health care for children is growing. These organizations made a conscious decision to shift to a new market. Social service agencies have also refined their missions in response to welfare reform. A number of churches in the community that previously had provided financial assistance and in-kind benefits in response to a number of different needs are now concentrating on a single service, most often a food pantry. Successful social service agencies are able to increase, modify or focus services in response to a changing policy climate.

Only a few respondents indicate that their agencies are struggling as a result of welfare reform. Rather, many agencies that have been adversely effected by welfare reform are shifting their mission away from serving the welfare population. Instead, they are focusing on providing programs for wealthier clients who can afford to pay for services. The vast majority of agencies are able to adapt in one way or another to shifts in public assistance policy, although these adaptations may involve less work with low-income clients.

I. Description of the Setting: Howard County

This case study draws on information gained from interviews with social service administrators of 35 organizations in Howard County. Respondents included organizations involved with economic and community development, housing and food assistance, healthcare, education and training, employment services, daycare, programs for children and youth, and services for families. These organizations are drawn from the nonprofit and for-profit sectors, government and quasi-governmental agencies, faith-based and secular service providers, and intermediary organizations.

A. Character

Howard County, population approximately 83,736,¹ is located 50 miles due north of Indianapolis, Indiana. Rural areas within the county include the villages and towns of Center, Clay, Ervin, Greentown, Harrison, Hemlock, Honey Creek, Howard, Jackson, Liberty, Monroe, Oakford, Russiaville, Taylor, Union, and West Middleton. However, the City of Kokomo contains over half of the county's population (44,962),² which is considered a small city. According to the United States Census Bureau, the racial/ethnic population distribution of the county in 1996 was as follows: 93.0% Caucasian, 6.0% African American, 1.7% Hispanic.³ Although this county has not seen any significant change in its population's racial composition, the aggregate population decreased by 7.0% from 1980 to 1990 and increased by 3.4% from 1990 to 1997.⁴ The county's population is expected to increase only by 0.9% over the next 10 years.⁵

B. Local Economy

Howard County's per capita income increased by 14.6% from 1990 to 1995, making this county the state's 6th highest income community.⁶ This dramatic increase is thought to be attributable to Howard County's manufacturing strength. According to the *Industry Week's* "word-class communities" issue (April 1997), Kokomo ranks second in manufacturing strength in the U.S.⁷ Currently, the Chrysler Corporation employs approximately 8,500 people, and Delco Electronics employs nearly 10,500 people. In addition there are about 1,700 small businesses in Howard County.⁸

The resident labor force of 1997 was estimated to be approximately 42,780, with an unemployment rate of 3.4%.⁹ The income and earnings profile of the county can be seen in

¹ http://www.census.gov/population/estimates/county/co-99-1/99C1_18.txt, June 20, 2000.

² <http://www.census.gov/cgi-bin/gazetteer?city=Kokomo&state=IN&zip=>, June 20, 2000.

³ <http://www.census.gov/statab/USA98/18/067.txt>, June 20, 2000.

⁴ Ibid.

⁵ T. Creeth (ed). *Indiana Factbook, 1998-99*. Bloomington, IN: Indiana University Press. 1999.

⁶ Ibid.

⁷ <http://www.villageprofile.com/indiana/kokomo/kokomo.html>, June 20, 2000.

⁸ Ibid.

⁹ <http://indico.net/counites/HOWARD/COMMERCE/econ.html>, June 20, 2000.

Table 1 below. The dramatic difference between the average earnings per job and the average earnings per manufacturing job in the county suggest much higher skill levels are required for manufacturing positions. Examining the occupations of Howard County residents in Table 2 further expands this realization.

Table 1: Howard County Income and Earnings Profile, 1996¹⁰

Per Capita Personal Income	\$25,297
Average Earnings Per Job	\$34,767
Average Earnings Per Manufacturing Job	\$73,538
Average Earnings Per Services Job	\$19,972
Average Earnings Per Retail Job	\$12,808

Table 2: Howard County Occupations of Employed Persons Age 16 & Over¹¹

Occupation	1990	% Change 80-90
Managerial & Professional	7,601	23.9
Technical, Sales, & Admin. Support	10,162	12.2
Service Occupations	5,279	13.8
Farming, Forestry, and Fishing	542	-16.5
Precision Production, Craft & Repair	5,946	8.1
Operators, Fabricators	7,511	-24.6

From 1980 to 1990, Howard County witnessed a dramatic shift in its population's occupations. Lower-skilled jobs dramatically decreased by over 40% while higher -skilled positions increased by over 36%. The occupational changes over the last decade, combined with the average earnings per manufacturing job in 1996, suggest a structural shift in this county's regional economy. Lower skilled positions, such as service and retail occupations, are highly demanded by employers, but the income compensation is below an acceptable living wage.

Among the executive directors of social service providers who were interviewed, only 31% said that the local economic conditions substantially or moderately affected demand for services since welfare reform in 1995.

C. Other Contextual Influences

A majority of the respondents surveyed believe that welfare dependency is prolonged due to the intergenerational condition, or as one respondent put it, "...the system owes me mentality."

¹⁰ Ibid.

¹¹ Ibid.

Many of the respondents feel that this attitude combined with “learned helplessness” greatly contribute to the difficulty in downsizing welfare dependency in Howard County.

Have welfare recipients learned that they are helpless due to all of the hurdles they must overcome? One respondent stated, “[We now have a] legislative process of all-or-nothing for support services for people in need.” Another respondent said, “We have moved our services from long-term support to a short-term intensive fix.” Are welfare recipients purposefully making reform efforts more difficult than necessary? Or, are there fundamental structural problems with welfare reform efforts that prevent successful self-sufficiency?

When asked what three factors most likely explain welfare dependency and long-term poverty, an overwhelming majority of the respondents stated inadequate childcare, transportation, and education.

Over half of the respondents surveyed felt that the lack of adequate childcare substantially or moderately increased the demand for services provided by their organization—one-third felt demand increased due to lack of transportation. Quite possibly, welfare recipients are reluctant to get jobs for fear of inadequate childcare and transportation. But most importantly, some respondents felt that employers are reluctant to continue employing parents who continually have childcare and transportation issues that prevent them from coming to work.

According to some respondents, the “work first” orientation of the federal and state funding organizations has dramatically changed social service and provider network’s educational efforts. In today’s economy, lower-skilled jobs do not pay compensation that is high enough to sustain acceptable living conditions. Yet, the typical plight of many welfare recipients with lower skill levels and limited education is the low-paying service and retail positions. This realization is compounded by the childcare and transportation concerns, yielding in some cases “learned helplessness.”

D. Prior Local Welfare Reform Efforts

In response to Indiana’s earlier welfare reform efforts, the Howard County Welfare to Work Planning Council was formed in 1995. Since its inception, this Council has “worked to enable Howard County develop a plan to assist welfare recipients to make the transition from welfare dependency to relative self-sufficiency.” This Council is comprised of members from local businesses, institutions of higher learning, non-profit organizations, and governmental agencies. Through their networking efforts, the Council has been able to broaden awareness of the changing welfare environment. It has attempted to coordinate funding streams, and it assists non-profit, faith-based and secular organizations in the provision of services by providing activities such as grant assistance.

II. Service Provision

A. Types of Services Provided

The 35 agencies surveyed in Howard County provide a broad range of social services, from food and clothing pantries, to credit counseling, to medical and mental health services, to employment and life skills training. Since welfare reform, the focus and orientation of programs have changed to a “work first” mentality. According to several respondents, federal and state social service monies have been cutback dramatically. Provider networks have been encouraged to “just get recipients into a job.” According to one respondent, the state is now conforming more to the federal agenda than ever before. The state gains certain funding levels for locally administered programs that conform to the federal agenda, such as programs that reduce the welfare rolls. However, funding sources for locally administered programs have been reduced. Table 3 (below) shows the services provided by the 35 surveyed agencies.

B. Changes in Services Provided Since Welfare Reform

Since welfare reform began in 1995, Howard County has established Welfare to Work Planning Council to cope with the new emphasis on “work first.” One director reported, “We are now seeing the more hardcore cases...we have reduced the welfare rolls and placed the more employable recipients, but we are now having to deal with the more difficult population...people with severe disabilities.” The new orientation has prompted significant changes in human service deliveries. For example, one respondent that runs a day care facility has changed her operating hours to incorporate evening shifts. She has increased the number of services provided on site such as parent education. According to another respondent, “Howard County as a whole has increased in local education and training...we are working with local business owners to educate and employ recipients...prior to welfare reform this was not done.”

Table 3: Organizational Activities

	Run by Agency	Makes Referrals
Food Assistance	55.0%	41.0%
Day-Care (pre-school) and Child.	34.5%	41.4%
Elderly Care	10.3%	37.9%
After School Activities	20.7%	27.6%
Abused Women or Children	27.6%	55.2%
Prevention of Teen Pregnancy	24.1%	31.0%
Tutoring or Literacy	31.0%	44.8%
Housing for Homeless	20.7%	44.3%
Affordable Housing Dev.	0.0%	37.9%
Housing Search Asst.	24.1%	37.9%
Migrants or Refugees Asst.	27.6%	37.9%
Family Counseling	31.0%	44.8%
Parent Education	48.3%	34.5%
Alcohol or Drug Prev./ Treat.	20.7%	58.6%
Free or Subsidized Trans.	24.1%	41.4%
Job Search Asst.	34.5%	44.8%
Employment Training and Edu.	20.7%	41.4%

C. Focus of Employment and Training Services

Although most of the respondents felt that Howard County, as a whole, is focusing more on employment and training services, only a small minority is actually providing such programs. Only 34.5% of the agencies surveyed said they provided jobs search assistance—less than 21% provide employment and training education. One agency reported that they had placed 50% of welfare recipients looking for employment found a job last month. However, a higher percentage, almost double, reported that they only made referrals to agencies that do provide job search assistance and employment training.

D. Changes in Employment and Training Services Since Welfare Reform

Since welfare reform, respondents reported seeing a dramatic increase in the “work first” orientation. One respondent reported that the state only wants to see people get jobs, any job. At the same time, we have seen a booming economy with a new focus in technological development. We no longer see the high demand for lower skilled labor in production capacities as before. The contemporary marketplace demands high skilled technical labor. One adult education center director stated, “We are working with more welfare to work recipients than before welfare reform. We are providing more job skills classes and training and we have longer waiting lists for our classes.” Another respondent said that they are continually conversing with local business to see what skills they desire from prospective employees. This change in employment and training services since welfare reform suggest that the social service provider

networks are working with private industries to develop the skills needed for desirable employment in today's economy.

III. Service Demands

A. Changes in Demand for Services Since Welfare Reform

The majority of respondents in Howard county indicated that they have faced significant or moderate levels of increased demand for the services that they provide for their clients. Only 17.3% reported that demand had substantially or moderately decreased, and the remaining 17.2% did not see any change. Less than one-third of the respondents (31%) reported a significant increase in the number of clients served, however over 44.8% said that they did see a moderate increase.

The demand for services has changed. According to one respondent, "clients need quicker more intensive services than before." Respondents reported that the population of welfare recipients has changed dramatically since reform efforts prompted the "work first" orientation. One respondent reported, "We now see a new demand coming from the working poor...they need assistance with paying for gas, food, and clothing for work...but most importantly, our working poor desperately need assistance with adequate childcare and transportation."

B. Extent of Unmet Service Demand Since Welfare Reform

Most respondents to the survey reported that they had experienced some instances when they were unable to meet the demands for services presented by clients. Respondents reported that they had "waiting lists" for services such as childcare. Over 51.7% of the respondents attributed the demand for continued welfare assistance to lack of affordable / adequate childcare. Childcare providers also reported significant waiting lists for their services. One interviewed childcare provider reported, "We have waiting lists for certain childcare, too many children and not enough space. We have done all we can to increase our service levels, including extending operation hours into the evening, but we still have waiting lists."

Another area of the respondents concerns for unmet service demand has to do with transportation. According to several respondents, Howard County lacks the ability to provide welfare to work recipients with adequate transportation services. Attempts have been made to address this concern, such as the Rural County Transit Program. However, real transportation needs have only been marginally accommodating for a very select few that live close to bus lines and work regular business hours. Additionally, respondents reported having difficulty getting welfare recipients to work training programs, interviews, and even health appointments. One respondent felt that without adequate transportation, working is an impossibility.

Another area of concern among the respondents is the inadequate level of programs and services for the mentally ill. Almost 25% of the respondents attributed the demand for services, either substantially or moderately, to changes in the welfare population composition. One respondent stated, "The population of welfare recipients is more hardcore than before...we are now dealing with people who have serious hurdles to economic self-sufficiency...the mentally ill are not served at the level needed."

C. Welfare Reform as Causes of Increased Demand

The most significant increase in demand that is attributable to welfare reform is health care. One respondent who administers a health care organization stated, "The percentage of clients who have health coverage is decreasing, while the percentage of uninsured is increasing." As welfare recipients gain employment, they lose benefits such as health care insurance. Many non-profit health providers continually see an increasing population of persons that do not have health insurance and do not have the means to pay for necessary health care coverage.

Another significant variable of welfare reform as a cause of increased demand is childcare. As recipients are moved to employment, a need for adequate childcare is created. For recipients with children, this realization is magnified with limited sources of adequate childcare provisions. Over 50% of the respondents felt that the lack of affordable childcare was attributable, either substantially or moderately, to increases in demand for services. A respondent who administers a childcare facility stated that she had long waiting lists of welfare to work recipients but that she lacks the space to meet the demand.

With the increased orientation toward "work first," respondents repeatedly pointed to transportation as a major problem for recipients moving toward self-sufficiency. Most recipients do not have the economic means to purchase and maintain a reliable form of transportation. They are forced to depend on a limited transit system and friends and family to get to and from work. This is especially problematic for those individuals who work evening and late shifts.

Lastly, welfare reform has increased the demand for education and skills training. Past and current recipients are finding that they have limited skills in the contemporary market place. Higher paying positions demand technical training and education. One of the respondents that administers an adult education center reported that demand for her classes have increased—so much so that she has had to hire additional staff and create new programs. Over 31% of the respondents felt that the local economic conditions are attributable to the increased demand for services. Several respondents feel that private businesses are willing to work with the social service providers and welfare recipients. However, as expected, they are unwilling to hire persons who do not possess a certain level of competencies such as customer service and communication skills. One respondent stated, "Recipients are surprised to find that they do not have the skill level that demands higher pay than above minimum wage...for some reason they are under the disillusionment that because they are going to work they should get paid very well...once the reality sets in, they seem very willing to attend our training classes."

D. Extent of Unmet Employment and Training Services Demand Since Welfare Reform

Since welfare reform efforts were initiated in 1995, we have seen a dramatic change in social service provider networks with the “work first” orientation. Clients find themselves being pushed off of the welfare rolls to find a job. One respondent reported that FSSA did not care what kind of job the recipient found as long as they were off of the welfare rolls. Many respondents addressed concerns with the “work first” mentality during interviews. They feel that by pushing ill -prepared clients into the workforce, before they have the ability to develop skills for higher paying jobs, is a mistake.

Today’s economy demands higher skill levels and education than before. One respondent commented that certain levels of skills are needed for a good job. Changing our orientation to “work first” might have verifiable gains in the short run —clients are forced to gain employment. But, what gains should we expect to see for a former welfare recipient in the future? Many respondents felt that ill -prepared welfare recipients are destined to be employed in service occupations that offer very limited opportunities and low pay. The positions that welfare recipients gain tend to be lower paying shift work in service establishments. These positions do not pay a wage high enough to support an acceptable living standard, and in most cases, benefits for such positions are limited.

With new constraints placed on welfare recipients’ lifetime eligibility for assistance, many respondents feel that clients are pushed into the workforce prematurely. Educational and training needs, in most cases, can not be adequately met once the client is working a full time job. Shift schedules, childcare, transportation, and fatigue seem to play a role in the viability of a recipient gaining additional education or training demanded for higher paying jobs. Most respondents feel that recipients need a more gradual introduction into the workforce with more focus on education and training. Since welfare reform, training institutions and places for higher education have seen an increase in the demand for their services. However, clients with the more difficult conflicts have not been able to hold more than a job, if at all.

IV. Organizational Structure and Collaboration

A. Extent of Intra-Organizational Change and Collaboration Since Welfare Reform

Since welfare reform, 69% of the respondents reported that they have expanded the number of applicants they serve. Additionally, 48.3% reported that they have increased the level of services provided to individual applicants and 65.5% introduced new services or programs. Lastly, 27.6% stated that they had expanded eligibility requirements for services. This suggests significant intra -organization change in Howard County’s social service providers. We can only deduce that this change is attributable to welfare reform efforts.

B. Nature of Intra-Organizational Change and Collaboration Since Welfare Reform

As mentioned above, responding organizations have changed their eligibility requirements for services. With the more stringent eligibility criteria established by the state and federal governments, Howard County social service providers have had to make changes in their operation to conform to the demands of the funding governmental agencies. This general realization of internal change since welfare reform was best described by one respondent who stated, "...above all we have had to become flexible...."

According to a number of respondents, the state has changed their goals a number of times since 1995—sometimes in the middle of a fiscal year, according to one respondent. With the continual changes, social service provider agencies have had to learn to react.

C. Extent of Inter-Organizational Change and Collaboration Since Welfare Reform

Over 65% of the participating respondents reported increased joint activities or programs with other service providers and coordinators. Almost 80% (79.3%) reported that they have increased referrals or information sharing with other service providers since welfare reform. Many respondents noted the importance of joining boards. One respondent stated, "We have much better information sharing since welfare reform took place in 1995."

Only 10% of the respondents reported that they participated in lobbying or protest rallies against recent public policy changes. However, over 31% indicated that they regularly participated in a network of organizations to provide services.

D. Nature of Inter-Organizational Change and Collaboration Since Welfare Reform

Since welfare reform, there has been an increasing trend toward volunteerism. Many non -profits and religious -based service providers indicated that they have had to increasingly rely on their volunteers.

Another important development since welfare reform is the creation of Welfare to Work Planning Council that is headed by a County Commissioner. According to one respondent, the County Commissioners have been very involved in the past couple of years. This has prompted, as one director stated, "dialogue with the private business owners."

Respondents reported that they feel increasing pressure to collaborate in the hopes of accomplishing their organizational mission and goals. The general population of respondents agreed that this collaboration has increased the level of services provided to clients in Howard County. Additionally, many surveyed agencies reported that they offer a significant amount of referrals to other organizations.

V. Summary of Results

A. Impacts on Social Service Organizations and Provider Networks

Respondents reported a varying array of significant impacts since welfare reform. Some organizations, such as food pantries and faith-based organizations, feel that the demand for their services has dramatically increased beyond their abilities. Others feel that welfare reform efforts have prompted “a change in the right direction.” With such mixed reviews from the respondents, it is hard to gauge the appropriate level of impact. However, based on the interviewees’ comments, we can generally deduce that the “work first orientation” has substantially impacted the operations of the social service organization and provider networks.

Welfare reform has had the effect of creating opportunities to participate in service provision for some organizations that had previously been excluded from receiving government contracts. However, it has also had the effect of excluding some organizations whose goals did not conform to the priorities of the state.

B. Impacts on Individual Social Service Providers

Several social service providers reported difficulties with the following areas as a result of welfare reform:

Childcare

The majority of respondents reported significant difficulties with childcare provision. As one director stated, “There just doesn’t seem to be enough acceptable childcare for these people we are asking to get out and get a job.” A director of a childcare organization echoed this sentiment. She stated: “We now have extensive waiting lists for childcare, more so than ever before. There are just too many children and not enough space. We have tried to accommodate the high demand by extending hours and staff, but we just don’t have enough space.”

Transportation

The majority of respondents reported significant difficulty with transportation provision. With the expectation and orientation of “work first,” many welfare recipients have been pushed into the job market without adequate transportation. Several directors reported that recipients had difficulty just getting transportation to their location. One director stated, “How can we expect a person who can’t even make her medical appointments, because of lack of transportation, to get to work five days a week.” Most directors agreed that Howard County does not have an adequate transit system, especially for those persons living outside of Kokomo’s city limits.

Medical

Another area of concern for most respondents is the lack of medical coverage for persons transitioning from welfare to work. A director of a health services organization reported “We are seeing a dramatic decrease of clients who have medical coverage and a dramatic increase in uninsured clients.” This director reported that lack of medical coverage has had an extensive impact on his organization. Several other respondents agreed that they were seeing an increasing number of welfare to work persons without medical coverage.

Education

A last area of major concern for most respondent is the lack of educational and training opportunities once welfare recipients are placed in a job. As mentioned earlier, demand for education and training has increased since welfare reform. However, we must address the complications persons working a full -time job might face, such as extend evening and weekend training classes, or on -site resource trainers.

B. Impacts on Clients

Howard County respondents reported observing several direct impacts on the clients that they serve. First, clients seem unwilling to believe that their benefits will be terminated upon exhaustion of time limit. Many respondents discussed welfare as a “generational pattern that is learned from grandmother, to mother, to daughter.” To the welfare recipient who has been raised in this environment, welfare assistance is a way of life. When welfare is the only answer known for poverty in families, and when work has not been stressed as a family value, it is difficult for recipients to accept that benefits will not be available any longer. In many cases, because of this disbelief that assistance will end, many recipients wait until they have exhausted their assistance periods. This increases the amount of stress and anxiety both recipients and providers feel during the welfare to work transitioning period.

Second, many welfare recipients have as one respondent stated, “a disillusionment of skills.” It is a hard realization, for some recipients, that their skills only demand a modest salary. Some directors reported that clients they serve are somewhat resistant to taking a job because of this “disillusionment of skills.” They believe that they should be rewarded with higher paying positions. This resistance and reluctance to work has led to some animosity among recipients towards welfare reform.

Third, long-term welfare recipients have higher levels of stress and anxiety about the uncertainty of their future. One respondent said that she has seen an increased level of child abuse and spousal abuse since welfare reform. With higher levels of stress and anxiety, the difficulty of job placement is only compounded.

D. Variables Linked with Successful and Unsuccessful Adaptation of Social Service Organizations to Welfare Reform

Many directors believe welfare reform has been successful due to the economy. With a tight labor market, the private industries seem more willing to cooperate with the Welfare to Work Planning Council. However, most respondents feel that the success will be scuttled once we see more difficult economic times.

Other directors pointed to the increased collaborative efforts of the faith-based, non-profits, and governmental agencies. The Welfare to Work Planning Council has implemented many collaborative plans that address the needs of the more disadvantaged population. The inclusion of the county commissioners on the board and regional efforts seem to have dramatically reduced the “turfism” we sometimes see in social service organizations.

Another factor that has contributed to the successful adaptation of welfare reform is communication. Many directors reported that communication or “community awareness” has greatly assisted the welfare reform movement. One director noted, “It seems the community is more receptive to what we are trying to accomplish with welfare reform.” Several organizations reported that private businesses and elected officials have called to see what they can do to assist the reform efforts.

Factors that have been linked to unsuccessful adaptation of welfare reform efforts are lack of childcare provision, transportation, and health coverage. One respondent reported, “I think it was a good idea to reform, but we should of thought about what would be the result of changing the system.” Time after time, respondents reported problems with childcare and transportation. Only the health providing organizations reported the difficulties with health care coverage, but we can deduce that this variable combined with lack of adequate childcare and transportation, significantly decreases welfare reform adaptati on.

I. Description of the Setting: Lake County

A. Character

Although ranked second in the state in population since the 1920 census, Lake County cannot be characterized as strictly an urban county.¹ Nor does it show the traditional pattern of suburban development flowing from the growth of central cities. In Lake County, many of the “suburbs” were well established before the shoreline cities of Gary, Hammond, and East Chicago were developed to house employees of the industries that sponsored their birth. Additionally, south Lake County continues to exhibit its historical rural and agricultural character. As a consequence, Lake County’s 497 square miles is characterized by a unique blend of urban, suburban, and rural communities, each of which developed independently of the others.

The Calumet region, along the shores of Lake Michigan, was one of the last areas of Indiana to be settled.² The lakeshore dunes, now regarded as a national ecological treasure, were regarded in the nineteenth century as a hostile environment for settlement. Transportation in the region was limited to railroads for many decades, as the dunes and sloughs acted as deterrents to other forms of travel. The county was formally organized in 1837, and Crown Point, the ultimate county seat, was settled in 1834.³ It was not until the twentieth century, however, that the northern Lake County cities were established as company towns for the steel, refining, and beef industries.

The current population of Lake County is estimated to be 478,323.⁴ This population is divided roughly into 60.7 percent Caucasian (non-Hispanic), 26.4 percent African-American, and 12.7 percent Hispanic persons.⁵ In 1990, the population was 475,594 persons, broken into 65.7 percent Caucasian (non-Hispanic), 24.7 percent African-American, and 9.4 percent Hispanic persons.⁶ The county’s population reflects the influx of European immigrants typical of industrial regions early in the century, with Germans, Swiss, and later, ethnic populations from the former Yugoslavia predominating. The influence of these ethnic communities is reflected in place names and customs, especially in the northern towns and cities.

In the period from 1940 through 1970, Lake County gained a quarter of a million in population (293,195 to 546,253), but then went into a population decline that has only begun to turn around in the last decade.⁷ The cities of Gary, Hammond, and East Chicago have lost over 17,000 in

¹ STATS Indiana; <http://www.iupui.edu/it/ibrc/State/county/ranks/cpopranks.htm>; November 13, 1999.

² Moore, Powell A. *The Calumet Region: Indiana’s Last Frontier*, Indianapolis, IN: Indiana Historical Bureau, 1999:53.

³ Ibid., p. 72; p. 66.

⁴ U.S. Census (CO-98-11). <http://www.census.gov/>. July 1, 1998

⁵ Ibid.

⁶ U.S. Census (CO-98-11). <http://www.census.gov/>. April 1, 1990.

⁷ Population data for Lake County, Indiana. <http://www.stormloader.com/>. November 11, 1999.

population in the last decade, while the balance of the county has gained over 12,000.⁸ The most significant population growth in the area has occurred in its more affluent communities.

According to the Census Bureau, Lake County does not have the State's highest poverty rate. In fact, several small counties—namely, Wayne, Crawford, Delaware, Scott, Starke, Knox, Vigo, and Switzerland Counties—have a larger percentage of their populations in poverty than Lake County's 13.3 percent living in poverty. Marion County is listed as having an estimated 104,179 persons living in poverty, as compared with Lake County's estimated 64,748, but taken as a percentage of total population, Marion County's poverty rate is lower at 12.7 percent.⁹

There is variance in poverty levels within Lake County as well. The areas that have suffered the greatest share of economic distress in the last few decades—Gary, East Chicago, and Hammond—have poverty rates of 26 percent, 25 percent, and 12 percent, respectively. More suburban areas, like Griffith and Merrillville, have poverty rates at around three percent.¹⁰ As a consequence, most organizations created to address poverty in the county are located, or have their headquarters, in Gary, East Chicago, or Hammond.

B. Local Economy

Many of the changes that have taken place in Lake County over the past several decades have resulted from economic decline in the area's major industries. The cities of the north developed due to growth in the steel and petroleum industries. The jobs provided by those industries were principally blue-collar jobs, and preparation for employment in those industries did not include specialized skills or higher education. As foreign competition in these industries became steeper in the 1970s, blue-collar jobs that were the lifeblood of the area began to decline. Jobs in the steel industry declined in the county from 80,000 to 30,000 over a 20-year period. Single-industry communities do not prosper when that industry fails to continue to provide well-paid employment in the region.

There has been some job replacement in Lake County, but the new jobs that are becoming available are service positions, not industrial. Salary scales for these positions are much lower. When compared with Marion County, Indiana's other largely urban county, Lake County's jobs are significantly less well-paid. In Marion County, the average annual earnings per job in 1996 was \$29,978; in Lake County, \$27,881.¹¹ The average earnings in manufacturing jobs were approximately \$1,500 higher in Marion County; in service jobs the difference was \$3,500; and in retail jobs the difference was \$3,500.¹²

⁸ Ibid.

⁹ STATS Indiana. County Estimates for People of All Ages in Poverty for Indiana: 1995. http://www.iupui.edu/it/ibrc/Stats/county/Indiana_pov95.htm, November 13, 1999.

¹⁰ U.S. Census, CPH-3-113C, U.S. Department of Commerce, Economics and Statistics Administration Census 90, Washington, DC: U.S. Government Printing Office. 1990:162.

¹¹ Indiana University, Kelley School of Business, Indiana Business Research Center, 1998/1999 County Profiles. <http://www.stats.indiana.edu/web/profiles.html>, November 13, 1999.

¹² Ibid.

The unemployment rate in Lake County has dropped from 16.3 percent in 1982 to its present low of four percent.¹³ During the period from 1980 to the present, however, the labor force has declined from 244,500 to 227,719; the number employed from 215,600 in 1980 to a low of 180,200 in 1986, and has been climbing gradually to its present level of 218,647.¹⁴ Today's number of unemployed, 9,072 represents both some increase in available jobs and the county's decline in population, so it is not clear that economic conditions have improved as much as the low unemployment rate might indicate.¹⁵ Marion County, for example, has a stable population of approximately 813,500, and enjoys an unemployment rate of 3.1 percent.¹⁶

There may be reason to believe that an economic revival is on the horizon for Lake County, however. Among the 61 agencies interviewed in Lake County were several whose principal purpose is to renew the economic vigor of the county. The emphasis placed by these agencies has been on business retention, supporting entrepreneurial endeavors that lead to job creation, retraining displaced workers, and stimulating the local economy. Most promising has been development of the Gary/Chicago Airport's capacity to support commercial air travel. This endeavor will be launched with the first commercial flights of a restructured Pan -Am Airlines in November 1999, and promises an expanding market for the region in both service and technical jobs.

C. Other Contextual Influences

Although the greater share of responsibility for the poverty in Lake County falls to the economic conditions described above, some of the barriers to efficient delivery of services to the poor have their roots in the region's history. One only has to examine accounts of the 1910 annexation wars, where within the month of March, East Chicago annexed Hammond and Whiting, and then Gary, fearful of the same fate, annexed East Chicago, to understand the less than perfect trust and cooperation that exists today between these communities. Added to this is the sense in the region that the State has held to its early opinion that Lake County municipalities were more "satellites of the great city which lay just across the state line," Chicago, than truly part of Indiana.¹⁷ Each individual community in the county and each ethnic neighborhood and population has developed independently from each other. There is a tradition, therefore, of independent action in the face of crisis or problem.

A survival of this traditional isolation may be that there is more an air of competition rather than cooperation among social service providers, and that this has only been exacerbated with welfare reform's restructuring of service delivery. Most of the respondents expressed interest in greater cooperation, but few follow through to any meaningful degree. While formal coordination

¹³ Historical Labor Force Data for Lake County, Indiana. <http://www.stormloader.com/>. November 11, 1999.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ U.S. Census; Indiana Business Research Center.

¹⁷ Ibid., p. 172.

through the Division of Family and Children has increased, some respondents suggest that actual coordination has decreased and old fragmentations have resurfaced.

This may account for the fact that there are more than 2,000 social service -related agencies in the county. Not only has need for services risen, new non-profit organizations have been developed in response to IMPACT contracting, and old organizations have redefined their missions to attract the resources made available through such contracts.¹⁸ Because each community has developed separate networks of organizations, and because even the existing intermediary organizations have been unable to suppress competition, there are many cases of overlapping services located short distances from each other.

D. Prior Local Welfare Reform Efforts

In response to Indiana's early steps in welfare reform, Lake County established the Welfare to Work Council. This body has served to plan Lake County's response to welfare reform from 1995 to the present. Because it is composed of members of many interested groups, including business, academic, non-profit organizations, and government agencies, the Welfare to Work Council has been able to broaden awareness of the changing welfare environment. It has brought players together to work on a one-stop data collection and retrieval system and initiated a study of agencies' data systems and system requirements. It has attempted to coordinate funding streams, and has put out requests for proposals from non-profit organizations for use of TANF demonstration dollars. Applications for grants totaling four million dollars are pending. It has distributed a practitioner's desk guide to welfare reform in Indiana that was produced by the Indiana Civil Liberties Union.

II. Service Provision

A. Types of Services Provided

The 61 agencies surveyed in Lake County offer a broad range of services, from food and clothing pantries, to credit counseling, to medical and mental health services, to housing, to employment readiness and placement, through community and economic development. More than half of these agencies make direct provision of family counseling, parent education, and life skills training. More than one-third of them offer food, tutoring or literacy services, drug/alcohol prevention or treatment, free or subsidized transportation, job search and placement, employment training or education, clothing, community development, and business or economic development.

Twenty percent of the organizations responding to the survey provide daycare, after school programs for children, services to abused women and children, teen pregnancy prevention

¹⁸ Lake County Community Social Service Provider interviews.

services, housing for the homeless, housing development, housing search assistance, migrant or refugee services, help with utilities, medical treatment, and mental health services. Most of the organizations acknowledged making referrals to other agencies for services they either don't directly provide or in addition to direct provision.

B. Changes in Services Provided Since Welfare Reform

Respondents from the organizations surveyed did not indicate that much change had occurred in the services they provide since welfare reform began, nor did they indicate that they plan much change in their service agendas in the near future. However, many acknowledged that since welfare reform began in Indiana in 1995, they have seen demands for service increase and have experienced a more focused awareness of the fact that poverty can continue even when clients become employed. Many agencies have sought more interorganizational relationships since 1995, and even those who reported little or no current impact on their agencies from welfare reform anticipate feeling a greater impact in years ahead from welfare reform. There were also indications in the interviews that social service providers are beginning to see the value to their clients of stronger regional cooperation, especially in the areas of "growing" jobs through regional economic development efforts and in the development of regional public transportation systems.

C. Focus of Employment and Training Services

Of the 61 Lake County agencies surveyed, 24 reported that they directly offer job search and job placement services. These services include such basic training and assistance for clients as resume writing, making computers and telephones available for clients to use to contact prospective employers, and helping arrange interviews. Of the organizations whose basic missions include such services, most report that they have established good rapport with area employers, including the casinos, manufacturing firms, and retail establishments. One agency reported success in placing clients through neighborhood networks based on common ethnic heritage.

Actual employment training and educational services are offered by 27 of the agencies interviewed. Among the services thus provided are computer skills and software expertise and GED training and testing. Most of the respondents acknowledged that they did not have tracking mechanisms to report success in placement and job search, but those that did reported 41 job placements in the week prior to the interview and 114 placements in the previous month. Most of the agencies rated their performance in job placement at about 3 on a scale of 10, but rated their performance much higher (4 and 6.4 on a scale of 10 respectively) with regard to improving job skills and life skills of welfare recipients.

D. Changes in Employment and Training Services Since Welfare Reform

Although many agencies offered employment and training services to clients in Lake County prior to welfare reform, there are two recent changes that can be linked directly to the provisions of welfare reform. The first of these is in emphasis. The “work first” direction—that is the emphasis on finding a job, even a job that does not show promise of leading to full-time and well-paid long-term employment—is to some degree deplored by many respondents surveyed. Most agreed, as well, that the time limits for receiving support while preparing for and seeking employment are too restrictive. At this stage of the welfare reform initiative, respondents agreed, the most able and qualified recipients have found employment and have left the welfare rolls. The population being served currently is the least able—those persons who will require intensive help to overcome severe lacks in skills and long-term dependency. While most respondents agreed that the concepts behind welfare reform, in general, and work first specifically, are positive and empowering concepts, they reported that implementation is becoming more difficult.

The second change is represented in the number of agencies that have either been created or adapted to get into the employment training and job search arena. Welfare reform has opened the way for religious organizations to become welfare providers. In response, community development corporations have been established by organizations with religious affiliations to compete with established providers for IMPACT contracts.

III. Service Demands

A. Changes in Demand for Services Since Welfare Reform

The majority of respondents (67.2 percent) indicated that they have faced significantly or moderately increased demand for the services that they provide their clients. Only 6.5 percent report that demand has decreased, and the remaining 24.6 percent acknowledge that no change in service demand has occurred. More than one third of respondents surveyed reported a significant increase in the numbers of clients they serve, and another 30 percent reported a moderate increase. Most respondents commented that, regardless of how they have fared in sheer volume of clients since 1995, the intensity and nature of the needs presented by those clients has made serving their clients adequately increasingly difficult.

B. Extent of Unmet Service Demand Since Welfare Reform

Most respondents to the survey reported that they had experienced some instances when they were not able to meet demands for service presented by clients. In some cases, demand went unmet because the organization’s mission did not extend to the kind of service requested. In these cases, referrals were the only organizational answer. The decentralization of services inherent in welfare reform explains some of the confusion about where to seek specific services,

and the efforts to simplify communications among service providers may help ameliorate this confusion. Another common response was that service demands went unmet due to inadequate funding and/or staffing.

Respondents whose agencies routinely deal with emergencies, such as food, shelter, and utilities, did not report a high degree of unmet demand for their services. There appears to be a rather well developed network of emergency services in the county, especially with reference to emergency food. Respondents whose agencies provide shelter for abused women and children, however, reported that they experienced pressure to provide beds for homeless persons who have not been part of abuse situations.

Respondents reported that they rely heavily on referrals when faced with unmet demands. However, they report that it is somewhat difficult, at the present time, to access accurate information about other likely providers for those services. Most agencies continue to rely on such means as word-of-mouth and the telephone directory listing to inform potential clients of the services they provide, their hours, and their address. Other advertising methods are used by many agencies, such as brochures and flyers placed where potential users might be likely to congregate, and advertising on the Internet is becoming quite popular as more agencies develop an on-line presence. Many agencies are listed, for example, in LakeNet's community service listings, provided by the Lake County Public Library, however, responsibility for updating information about the agencies is not as well carried out as one might hope.

C. Welfare Reform as Causes of Increased Demand

Lake County survey respondents uniformly failed to attribute changes in service demand from their clients to the changing regulations of welfare reform. Almost 64 percent of respondents attributed moderate to significant increases in demand to local economic conditions, and more than half attributed moderate to significant increases in demand to the region's lack of a good transportation system. Close to half of all respondents indicated that increases in demand could be the result of federal and state government cutbacks, but most reported that local government cutbacks have caused no change in demand. Approximately half of the respondents considered changes in population composition to have led to increasing demand. More than 40 percent of respondents attributed increasing demand to fluctuations in unemployment, to insufficient child care services, and, surprisingly, to new major employers in the county.

D. Extent of Unmet Employment and Training Services Demand Since Welfare Reform

There are two principal aspects to employment and training services—the retraining of older, displaced workers and the provision of a whole range of job skills and life skills training to those who have never had meaningful employment. Different training regimens are required to meet these different needs. For the first category, training programs are available from for-profit and non-profit organizations—especially prominent are computer training and truck driving training

programs. Most respondents reported that they had seen little or no union involvement in designing job placement and training programs.

Although respondents generally did not think that changing levels of training opportunities leads to either increases or decreases in demand for their services, many did report that welfare reform's stringent time limits for eligibility increased their difficulty in assessing and meeting demand. This time constraint has particularly impacted training programs for those with little or no work experience, those whose transition from welfare to work will be the most difficult. Welfare reform's preference for finding employment, any employment, as soon as possible also is reported to interfere with the development of long-term preparation for meaningful, well-paid employment, especially for those with disabling conditions.

IV. Organizational Structure and Collaboration

A. Extent of Intra-Organizational Change and Collaboration Since Welfare Reform

Survey respondents in Lake County reported significant changes in their internal organization and in their ability to attract and sustain funding resources, but consistently failed to attribute those changes to the effect of welfare reform. Although most reported that their basic organization type has remained unchanged through the life of the organization, nearly half of the respondents reported that their service delivery or program staff numbers had increased, either significantly or moderately since 1995 and more than one-third indicated that there had been no change in staffing levels. The respondents also reported only moderate increases or no change in administrative staffing, and a significant majority reported no change in their fund-raising staffing.

Over 70 percent of Lake County's respondents reported moderate to significant increases in the amount of staff training in the period. Most agencies reported a moderate increase in salaries for staff, and most respondents reported increased difficulty in providing competitive salaries to attract the best possible staff, with 42.6 percent reporting a significant increase in difficulty in this area. The rate of staff vacancies was reported to have not changed in over half of the agencies interviewed, and moderate increases in vacancies were reported in 27.8 percent of the organizations.

In the 61 organizations surveyed the median staff size in 1998 was 16 persons, an increase from a median size of 12 in 1994.¹⁹ Respondents reported that their workforces today are generally better educated and display more diversity as to both race and gender than they did in 1994.

In terms of changes in funding patterns, most respondents reported that there had been only moderate increases or no change in their support across a variety of funding sources. Although

¹⁹ Median staff size is reported here, rather than mean staff size, due to the skewing effect of several organizations with very large staffs.

42.6 percent of respondents reported increased support from federal government programs and 36 percent reported increased support from state government programs, a majority of respondents reported no change in support from all other funding sources, including foundations, direct fundraising, United Way or other federated charities, and in-kind donations. Over 93 percent of the organizations reported that they had not considered developing profit-making subsidiaries or that there had been no change in the resources such subsidiaries made available to them. Most organizations reported that support from user fees had only modestly increased or had not changed since 1995.

B. Nature of Intra-Organizational Change and Collaboration Since Welfare Reform

In addition to the above-mentioned structural changes, respondents reported considerable change in service delivery. Two-thirds of the organizations reported that they had introduced new programs and services since 1995. Over half of them reported that they had increased the level of services provided to applicants. One-fourth of the respondents acknowledged that they had eliminated some programs. Most organizations reported that, with the exception of changes mandated internally to the government programs they administered, they made few changes in eligibility requirements. However, many acknowledged that eligibility determination had become more formalized since 1995, and that verification of need and eligibility is now more common than in the past.

C. Extent of Inter-Organizational Change and Collaboration Since Welfare Reform

More than half of the participating agencies reported that they have joined or established a network of organizations and/or have participated or sponsored forums on public policy changes and government budget cuts since welfare reform began in 1995. Nearly all respondents reported a significant increase in joint activities with other providers and increased traffic in referrals in that period, as well. About 40 percent reported that their relationships with other social service providers had intensified to include the development of mutual board membership with other social service agencies. Many of the agencies that were interviewed did not allow lobbying, a lower number of respondents reported active participation in attempts to influence policy makers directly, although for some organizations, such activities were conducted by their national affiliates.

Most respondents reported that their involvement in service coordination and collaboration with all types of other organizations—fewer with for-profit, a larger number with governmental and non-profit—has increased significantly since welfare reform began, but most remarked that they did not attribute that increase to the provisions of welfare reform. Most agencies were able to provide the names of ten other service-providing organizations with which they work on a regular basis. Most of the organizations named serve the same client populations as the respondent organization, and referrals were the most common tie between organizations. Few organizations shared funding or office space. Many of these relationships were long-standing, rather than recent in nature.

D. Nature of Inter-Organizational Change and Collaboration Since Welfare Reform

Many organizations reported significant projects being conducted with other organizations, for example, training prospective employees to meet the requirements of specific employers. A number of joint projects involved children's health and family and youth activities. Many projects were related to economic development, transportation, and support for entrepreneurship in the region. Others involved purchasing housing stock for rehabilitation and providing shelter, food, and healthcare for women, minorities and those infected with the HIV virus. Respondents reported that they felt increasing pressure to collaborate, both from the obvious economic reasons, and from a desire to fulfill their organizational missions.

V. Summary of Results

A. Impacts on Social Service Organizations and Provider Networks

Although most respondents did not report significant impacts from welfare reform on their organizations, the emphasis of recent changes in welfare philosophy on moving recipients from welfare to work has had a positive impact on those agencies whose mission has traditionally included or stressed employment and training services. Welfare reform has additionally had the effect of creating opportunities to participate in service provision for organizations previously excluded from receiving government contracts. Additionally, many respondents reported a belief that it is too early in the welfare reform process to assess impacts—that the effects of the new regulations will not be felt until sometime in the years ahead.

Nearly all respondents indicated that they believe collaboration and networking are essential to successful service provision under welfare reform, and most reported that they had become more involved in joint projects and information sharing since welfare reform began. Intermediary organizations have been formed for many purposes, including contract management, referral, and service coordination. Both networks and intermediate organizations will have to grow stronger to overcome Lake County's historical fragmentation.

B. Impacts on Individual Social Service Providers

Respondents expressed a belief that welfare reform is based on sound concepts and principles, but that insufficient thought went into the probable consequences for both clients and providers. The work-first aspects of welfare reform does not take into account the need for long-range planning and training in cases where clients have had little or no work experience. Most providers reported that welfare reform has brought them even more paperwork, and some pointed out that welfare reform dollars promised had yet to be delivered into the system. At one point local organizations believed that up to \$20 million would be available in TANF demonstration dollars. In reality, a much lower, if unspecified, amount has been made available. Many of those organizations that had adjusted their missions or been created to provide

employment and training under contract reported that they planned to deliver services to a given number of recipients, and subsequently received substantially fewer referrals than anticipated.

Health care providers, especially those whose mission is to provide adequate health care to children, also report increased confusion about which recipients qualify for provided services. The most significant consequence for providers in Lake County may be , however, the need to overcome their reluctance to work together to achieve economies of scale and preserve resources to better serve the whole county's population.

C. Impacts on Clients

Lake County survey respondents reported observing several direct impacts on the clients that they serve. The first is that it has taken some time for recipients to come to believe that their welfare benefits will end after two years and that there is a limit to the number of years they can ever receive help from federal and state programs. Many respondents listed multiple generations of family welfare eligibility and dysfunction subsequent to that family background as a leading cause of long-term poverty and welfare dependency. When welfare is the only answer known for poverty in the family, and when work has not been stressed as a family value, it is difficult to accept that benefits will not be available. When this is true, clients will wait until they are desperate before seeking assistance from providers, making the provider's job more difficult and the client's outcomes less positive. It also leads to a more stressful relationship for both client and provider. In addition to organizations whose clear role is client advocacy and legal services, other respondents reported that they also have needed to provide information to their clients about the right to appeal sanctions or seek extensions on benefits that have been exhausted.

Respondents also indicate that clients are more confused about which providers may be able to provide assistance with given problems. Added to this confusion is the providers' uncertainty about the services available from other organizations. Better information for both clients and providers is clearly needed.

While the elements of a good system of social service provision, including employment and training, exist in Lake County, the development of stronger, more collaborative networks continues to be necessary. The Welfare to Work Council has encouraged this development through a sponsored study of computer compatibility among providers, and by bringing elements together for information sharing and planning. The county's response to poverty could be better coordinated, and this might serve to reduce the stress and confusion of recipients.

D. Variables Linked with Successful and Unsuccessful Adaptation of Social Service Organizations to Welfare Reform

High on the list of variables linked to successful adaptation of social service organizations to the demands of welfare reform would be their willingness to give up turf—to collaborate and cooperate with other organizations serving the same client populations. In Lake County, this is

perhaps the critical variable. Individual organizations in neighboring communities presently compete for resources and clients, and this contributes to a redundancy or overlap of services that increases the cost of providing service and is confusing to recipients.

Another variable that contributes to success or failure in the environment of welfare reform is the ability to write proposals that attract funding. Traditional means of gathering the resources to support organizational activities have not yielded sufficient funding to continue the levels of service that organizations want to provide or to develop new service programs. Innovative funding mechanisms help organizations thrive in the climate of welfare reform.

Another variable linked to organizational success is having a more holistic approach to addressing poverty, rather than focusing on specific services or client populations. Organizations may not be able to act individually in this way, but if they form or join networks that collectively treat a wide range of factors linked to long-term poverty for their client populations, their chances of success increase. Job training is unproductive when the client hasn't achieved minimal levels of educational attainment; primary education is unsuccessful when students are inadequately clothed, housed, fed, and provided with medical care; job training does not lead to self-sufficiency unless effort is also given to encouraging new business start-ups and entrepreneurship, to improved public transportation, and to expanded daycare systems. These elements of successful transitions for clients from welfare to work are all interconnected and need to be seen and acted upon as a system, not as individual pieces.

With regard to successful implementation of welfare reform in Lake County, organizations must come to see poverty as a regional, not a local, problem—one that will require regional, not local, solutions. Not only will social service providers have to look beyond their neighborhoods, communities, and traditional client bases for partners to combat poverty within the welfare reform movement, they will also have to look beyond the county's borders. Economic development, which offers the best long-range hope of controlling poverty, depends on partnerships across sectors (public and private), on finding solutions to environmental problems and political differences that are not contained within the county, and on promoting strong regional growth.

On the level of the individual, the promotion of improved primary and secondary education and of improved health for children in the county could be seen as an indicator of organizational and network commitment to long-term reduction of poverty. Organizations that work to strengthen public education systems and improve access to health care as their primary purpose or as additional service programs may be so successful in adapting to the goals of welfare reform that they eventually will no longer be needed. The extent, therefore, to which organizations and networks consider services to children as an investment for the future economic and social health of their communities can be considered as another variable along which to measure successful adaptation to the substantive purposes of welfare reform.

This case study draws on information gained from interviews with administrators of 72 organizations in Marion County. Respondents included organizations involved with economic and community development, housing and food assistance, healthcare, education and training, employment services, daycare, programs for children and youth, and services for families. These organizations represented the nonprofit and for-profit sectors, government and quasi-governmental agencies, faith-based and secular service providers, and intermediary organizations. Responding organizations also included Marion County's two major foundations: Lilly Endowment and the Indianapolis Foundation.

I. Description of the Setting: Marion County

A. Character¹

Marion County is home to the State's capital and has the state's largest population. With a 1996 population of 818,014, Marion county constitutes nearly 15 percent of the state's population and is nearly twice the size of the state's second most populated county. While there have been fluctuations in the county population during the last 40 years, the total population in 1996 was only slightly larger than the county's population in 1970.

According to 1990 census data, Marion County included about 170,000 African American people and 8,500 people of Hispanic origin. Slightly more than 75 percent of the county population identified themselves as white. As reported in some of the interviews conducted for this study, several organizations have noticed growth in the Hispanic population in Marion county. One respondent described this growth in the Hispanic community as an "explosion," but reported that this growth generally only effects the requests for Medicaid, because Hispanic people "normally go to work." This marked growth in the Hispanic population was also noted by community centers serving the near Westside of Indianapolis, because this has become the neighborhood for the re-settlement of Hispanic immigrants. The influx of Hispanic people and their requests for English language classes and other kinds of job assistance were also discussed by several organizations that provide education and training, including ESL classes. Organizations, such as Ivy Tech State College, that require documentation of one's legal status prior to entry into classes, such as ESL, reported that their enrollment of Latino people is limited. Other organizations, such as neighborhood centers, that can enroll any interested person in their classes, report that Spanish-speaking people often seek assistance, particularly with learning English.

In the last census, about one in every ten families was identified as a "single parent household." According to 1991 birth statistics, about one in every six births was to a teenager and more than

¹ All data in this section was taken from the following two sources: (1) *The Indiana Factbook, 1994-95*, edited by T. Creeth, Bloomington, IN: Indiana University Press. 1996; and (2) *Status of Indiana Families . . . Today and Tomorrow*. West Lafayette, IN: Purdue University Cooperative Extension Service and Bloomington, IN: Indiana Business Research Center. 1996.

80 percent of the teen mothers were single. In 1990, about one-fourth of the adult population had not completed high school.

In 1990, slightly more than half of the population was employed. The county's two largest areas of employment were (1) services and (2) retail trade. Together these two areas accounted for more than half of the jobs in 1992. However, the area of highest earnings was manufacturing. The average earnings per worker in the area of manufacturing was \$46,100 which contrasts to the average earnings of \$14,900 for retail trade employees. According to 1992 statistics, the average wage per job was just under \$27,000. However, the per capita income was reported to be \$21,555.

B. Local Economy

The economy in Marion County is widely regarded as strong. Many directors attribute much of the success of welfare recipients moving into the workforce to the strong economy. Because there are so many places that need more employees, it has been relatively easy for welfare recipients to get jobs. Some directors worry about what will happen to those who have moved from welfare into the workforce when there is an economic downturn. As one director commented, "they'll probably lose their jobs, but perhaps they will be eligible for unemployment benefits."

Certainly there have been many significant changes in the local economy during the last 10 -15 years. Several major manufacturing plants have closed and Fort Benjamin Harrison was closed as an Army post. While conducting the interviews for this study, an interesting discovery was made. Two of these closed plants now house employment service programs. Furthermore, the ongoing development of the central core of Indianapolis has led to increased employment opportunities in the hospitality industry, retail sales, and for such companies as USA Group and insurance companies that are headquartered near downtown.

Another indication of Indianapolis' strong economy is the support provided for small businesses. For the last two years, *Inc. Magazine* has ranked Indianapolis as one of the top five cities in which to establish a company. This ranking is based on several factors, including a "local infrastructure supportive of new businesses." The magazine also found that businesses that were started in the last 10 years were likely to be "still growing after at least four years in business." Furthermore, there are two specific small business initiatives that target low-income neighborhoods. Westside CDC was recently awarded major funding to assist the development of small businesses along the Michigan street corridor in the area just west of downtown Indianapolis. In the Enterprise Zone on the near Eastside, the Urban Enterprise Association is developing plans for an industrial park to be placed along I -70. UEA already offers some incubator services for small businesses, and the industrial park will afford many employment opportunities for residents in this impoverished neighborhood.

Because of the strength of the current economy, several employment organizations reported that employers want help obtaining employees. Thus, employers enter into contracts with agencies for assistance in recruiting, screening, and providing training for prospective employees. Furthermore, a public economic development corporation has partnered with the IUPUI to create a database of employers' needs that will be accessible in schools and libraries throughout Central Indiana. This database is intended to expedite the process of matching job seekers with employers.

C. Other contextual Influences

In 1990, about 12 percent of the county's population were living in poverty. In 1990, the poverty level for a family with two adults and two children was \$12,465. Between 1980 and 1990, there was a 14 percent increase in the number of people living in poverty. Among families with an employed adult, the poverty rate was half the incidence of the total population, i.e. six percent. Of the 94,131 people living in poverty, nearly 40 percent were children and another 10 percent were over age 65. Among families headed by a single mother, about two out of every five households was poor.

1990 census figures show that 73,046 children under the age of six lived in Marion County, and 65 percent of them had "all parents present in the household working or looking for work." The county's licensed day care facilities could accommodate 18,378 children. Marion County had nearly 11,000 reported cases of child neglect or abuse in fiscal year 1994. This means that about one in twenty children have been neglected or abused.

D. Prior Local Welfare Reform Efforts

Between 1990 and 1994, Marion County reported nearly a 50 percent increase in the number of families receiving AFDC. In the same time period, the number of households receiving food stamps more than doubled. Likewise, Medicaid expenditures nearly doubled, although there was only a 20 percent increase in the number of Medicaid cases. In 1994, there were 15,223 families receiving AFDC, 40,586 households receiving Food Stamps, and 7,665 Medicaid cases. In all three of these areas, Marion County exceeded the growth rates that occurred statewide between 1990 and 1994. For example, there was a 27 percent increase in the number of Hoosier families receiving AFDC and a 70 percent increase in the number of households receiving food stamps. The expenditures for AFDC in Marion county exceeded 46 million dollars in 1992 and constituted one-fifth of Indiana's AFDC expenditures. Marion County spent nearly 73 million dollars on Food Stamps in 1992, which was slightly less than one-fifth of Indiana's total cost of providing Food Stamps.

II. Service Provision

A. Types of Services Provided before and after Welfare Reform

A theme in the information obtained in the interviews with directors is that significant growth in their organization's service delivery is occurring in response to the implementation of welfare reform. Employment services have been added or expanded to assist people move from welfare to work. Furthermore, organizations have developed many services to support the needs of working parents for childcare, youth services, transportation, healthcare, and other services for families.

A good example of the magnitude of organizational change is shown by one religious -based organization. Ten years ago, this organization only served disabled people, and now that's only one-third of their clients. This organization has developed many programs to assist welfare recipients move into the workforce. Since 1995, the number of clients served at this organization has increased 600 percent. In 1998, this organization placed more than 3,500 people in jobs, which contrasts to 1994 when 516 people were placed in jobs.

Another group of service providers that have become significantly involved in providing employment services along with their traditional services in the areas of recreation, senior adult activities, childcare, basic education, and emergency assistance are the various community centers. Thirteen neighborhood centers are located in low -income neighborhoods and many of them have added welfare to work contracts and employment specialists to their organizational structure.

Some new service providers have been established in Indianapolis to assist welfare recipients move into the workforce. Some are for-profit providers. Other Marion County providers are nonprofit organizations. All of these newer Marion County agencies provide assistance to welfare recipients to become 'job ready' and they work with employers to secure jobs for their clients. Often these employment organizations partner with other agencies, such as the community centers, to provide employment assistance in neighborhood locations.

Another Marion County organization that is responsible for the coordination of day care services for families who are moving from welfare to work has established itself. In 1997, the coordination of day care and determination of eligibility for day care assistance was transferred from the Marion County Division of Family to this private provider organization. Welfare reform legislation created the "Childcare Development Fund," and now this private organization processes claims for childcare in Marion County that is supported by this fund. In the last five years, Daybreak's staff has grown from 5-6 people to more than 35 staff members in order to administer approximately \$34 million in daycare vouchers for Marion County. In the last fiscal year, there were more than 5,000 families who had to make the transition off welfare. This organization reported that they currently serve 15,000 children and have a waiting list of 7,500. One respondent reported that this "waiting list" would no doubt be longer if their services were

publicized. The respondent stated that many families who are eligible for daycare assistance won't get help because Marion County does not receive enough funding to meet the needs of the county's families whose income falls below the State's eligibility limit of 190 percent of poverty. Thus, childcare assistance in Marion County has been limited to families who have received TANF, and Daybreak's administrator reported that children in working poor families are placed on the waiting list. She also pointed out that families continue receiving childcare vouchers after their TANF aid ends as long as their income remains below 190 percent of poverty.

Several Community Development Corporations (CDC) have also expanded their traditional mission to include some employment assistance. Like community centers, these organizations are also located in low income neighborhoods where housing and other buildings are often vacant and deteriorating. Traditionally, CDCs have sought to rehabilitate the neighborhood's houses and support area business development. After houses are restored, CDCs assist low income families to obtain financing to purchase the homes. Sometimes the houses are retained by the CDCs and rented to families who aren't ready to buy a home. Some of these rental homes serve as transitional housing for families who have been homeless. While not all CDCs have added employment assistance to their services, several have done so because they see how the lack of a job with good wages prevents many families from being able to obtain and retain housing.

In addition to the housing assistance to low income families that is provided by CDCs, several other Marion County organizations assist with housing. A major source of housing for impoverished families is the Indianapolis Housing Authority that administers numerous public housing communities. Furthermore, families that are homeless often turn to one of numerous shelters for temporary housing. Marion County's homeless shelters have often been established by religious organizations. One creative initiative to address the needs of homeless families is provided by such an organization. This organization partners with 25 congregations in the Indianapolis area to provide temporary shelter on a weekly rotation among these churches. Some shelters focus on providing temporary housing for women who have been battered and need safe housing for themselves and their children.

Shelter directors discussed the difficulty they face when the parents are not married or are using drugs or alcohol. Such homeless families are not eligible for shelter, and directors see this as an area of growing need. One respondent said that his/her organization is exploring options for providing substance abuse treatment for families in their shelter rather than evict those who are caught using. Furthermore, shelter directors reported the increased need for providing more than 30 days of shelter for homeless families. Such families often need more time to secure steady work and obtain the necessary housing deposits to enable them to move into their own home. Thus, such shelters have established transitional housing where families can reside for two years. While they are residents in the transitional housing units, they receive support services to help them get out of the homeless cycle. This period of transitional housing permits the parents to build their job skills, obtain better paying jobs, and clean up their credit. In addition to adding

transitional housing, shelters reported wanting to add follow-up services to assist families to sustain housing.

Emergency food assistance is available through food pantries that are located in low income neighborhoods. One private organization distributes the food to many of the individual pantries that are often located in community centers, churches, and other neighborhood agencies. No major change in the distribution of emergency food assistance was reported by the organizations that were interviewed for this study. However, a long-standing community center reported having closed its food pantry. One respondent said that he/she did not want his/her staff making referrals because pantries “aren’t reliable.” Although no other director voiced criticism of food pantries, if respondent’s appraisal is correct, perhaps their inability to consistently provide food assistance results from the tremendous growth in requests for assistance that have been reported by food pantries. Furthermore, closing this food pantry seems puzzling, because Sears talked enthusiastically about plans for a new library facility to be built on his agency’s site that will include a coffee bar. Will hungry residents in this neighborhood be able to get free coffee?

A public health organization covers healthcare for children in poor families, which is insurance coverage that was spawned by welfare reform. This healthcare coverage has permitted more children to obtain immunizations and other needed healthcare. This a major provider of healthcare for poor people through its clinics that are located in several low-income neighborhoods.

Services for children and youth have also been increasing as agencies strive to meet the needs of families to have their children supervised. Several youth-focused organizations offer an array of after school activities and recreation programs for children and youth in their neighborhoods. Furthermore, some organizations have begun to take their programs into low-income neighborhoods so that children who lack transportation to the facilities can still participate in their programs. Thus, this organization has partnered with schools and public housing facilities to offer these neighborhood programs for children and youth. Many directors reported that demand for supervised programs for children and youth exceeds the capacity of their agency’s programs. As a result, some community centers have had to limit participation in their programs to families in which the parents are working or preparing for work.

B. Focus of Employment Training Services before and after Welfare Reform

Due to welfare reform, human service organizations now contract with the private industry. Such programs provide employment services and other assistance to support the transition from welfare to work. Through these contracts, agencies provide job readiness assistance as well as job placement and retention services. Several directors discussed the shift that has occurred in the focus of employment services. Most agencies report that they focus services on job placement and retention rather than focusing on training. Prior to welfare reform, many organizations primarily provided training and preparation for work. Now their contracts involve

working with welfare recipients to get them placed in jobs and securing the necessary supports, such as childcare, transportation, and work tools, to enable them to work.

As discussed in the first part of this section, many organizations offer employment assistance to those who are moving off welfare. One private organization has become a major force in developing partnerships with other nonprofits to provide job preparation and placement services. Furthermore, this organization is working with two government organizations to implement the county's new "One Stop" employment offices. Other established Marion County organizations, have added employment services to their traditional missions. Another group of employment service providers are the "new kids on the block" in Marion County.

III. Service Demands

A. Changes in Demand for Service, Extent of Unmet Service Demands, and Welfare Reform as Causes of Increase Demand Since Welfare Reform

Overview of Increased Need for Service

Virtually every agency reported that their clients have increased needs for services and have more serious needs than they did in 1995. Repeatedly, directors said that the most significant change in population composition has been the "tougher to serve population" that increasingly seeks help from their organizations. Because of the complex needs of those remaining on welfare, many directors shared the view that welfare reform has made their jobs harder.

Even with a robust economy, those remaining on welfare face numerous barriers to getting and keeping jobs. Because of these barriers to successful employment, both for-profits, non-profits, and community centers in Indianapolis report that clients need extensive services. Agencies discussed the need to address such employment barriers as substance abuse, mental health problems, transportation, before and after school childcare, healthcare, and conflict resolution skills. In addition, many organizations reported increased requests for assistance with the basic needs of housing and food. Furthermore, when welfare aid ends, many families, including many who are working, seek help from other organizations to meet their needs. Because most who leave welfare are still poor, their resources are not adequate to meet their needs.

Employment and Education Needs

In the last few years, organizations that offer job placement and retention services have experienced tremendous growth in the number of people seeking entry into their employment programs. For example, one organization experienced a five-fold increase in the number of clients that they served from 1996 until 1998. Likewise another organization reported a 50 percent increase in client requests for employment assistance. Furthermore, the Chancellor of an

higher education institution believes that one of the factors responsible for their growing student enrollment is that former welfare recipients who become employed in low wage jobs soon realize the benefits of training for jobs that require specific skills and will permit income and career advancement.

Housing Needs

Several organizations that focus on the needs of those who are homeless or at risk of becoming homeless reported growing needs for housing assistance. One director reported that his organization served 4,000 of the 16,000-20,000 Marion County homeless in 1998. Furthermore, his organization has witnessed an increase in the number of homeless women and families since 1995. This organization is no longer serving a heavily male population. Now the typical client is a single mother under the age of 30 with one or two children under the age of 12.

Directors of six homeless shelters were interviewed and reported:

- ?? providing temporary housing for twice as many families in 1998 as they had in 1995;
- ?? placing two families in each room due to growing requests for shelter;
- ?? families are remaining in the shelter for an average of 60 days which is twice as long as families remained in 1995;
- ?? more families are returning to temporary shelters because they are not able to maintain permanent housing in the community;
- ?? none provides shelter to unmarried couples with children or to parents whose children have been removed from the home.

In general, shelter directors seemed to witness not only a growing demand for shelter services, but to also regard their clients as having greater needs. They reported that more clients have used all available community resources and still need housing. Therefore, these organizations report that a very concentrated effort and numerous services are required that far exceed providing temporary shelter.

While directors of housing organizations had not systematically collected data to determine the cause(s) of the increase in families seeking housing assistance, they believe that much of it is due to welfare reform. One shelter director spoke about the consequence of welfare sanctions on a family when 25 percent or more reduces that family's TANF check. Typically such families are just barely able to pay their living expenses from their TANF check, so there is no margin to absorb a reduction in income. Because housing is often the single biggest expense, families often quickly end up on the street after sanctions are imposed.

An intermediary for Marion County believes that another factor in the growing need for low-income housing assistance is the reduction of Community Development Block Grants (CDBG). CDBG funding provides subsidies to CDCs that are used to secure housing loans for low-income families. According to LISC, the cutback in CDBG funding squeezes out the poorest families

because more funding goes to families with higher incomes and thus, they need less subsidy to secure a home loan. Consequently, this intermediary cannot meet the needs for assistance in obtaining affordable housing for people who are working low wage jobs, i.e. below 50 percent of the median income.

Perhaps the link between welfare reform and the growing need for housing assistance is less direct in many cases. Specifically, directors spoke about people who leave welfare and enter the workforce at low-wage jobs and they simply cannot stretch their wages far enough to cover all their bills. Again, due to the high percentage of a family's income that goes toward housing expenses, it doesn't take long to fall behind in keeping the rent paid and then the family becomes homeless when they are evicted. Another way that directors believe that welfare reform may be linked to rising requests for housing is that welfare reform is a "work first" program that places people in the workforce without job preparation prior to placement. Some believe that such an approach may have been satisfactory for those on welfare who had adequate preparation to enter the workforce. However, such Indiana recipients have long since left the welfare rolls and now those who remain generally have multiple barriers to succeeding in the workforce. Because recipients who have entered the workforce more recently are ill equipped to maintain employment, when they lose their jobs their families become homeless, albeit not immediately after leaving welfare.

To address the complex needs of many families that are homeless, some organizations have begun providing transitional housing. Because many families need more support and assistance than can be provided during a 4 -6 week stay in a shelter, transitional housing provides shelter for a year or longer while the parent(s) complete educational programs or substance abuse treatment, gain secure jobs, and accumulate the necessary deposits, etc. to permit them to move into permanent housing. Shelters have developed some transitional housing units, while community development corporations and other nonprofit organizations offer other housing programs. A few are partnerships between a for-profit company and a non-profit organization. Typically, these housing programs not only help the family secure housing, but also involve the parents in support groups to address risks of homelessness and provide the necessary case management services to assist the parents to obtain employment or complete education or training needed to secure employment.

Several homeless organizations have expanded the scope of their services to address more than the housing crisis that the family is experiencing. One organization has grown from primarily responding to the crisis of homelessness to include education and employment services as well as assist their clients to obtain healthcare and housing. Similarly, several shelters are trying to address the employment needs of their clients and some are also beginning to seek ways to provide help for their clients' substance abuse problems.

Needs for Food

In addition to the growing needs for housing, organizations are facing increased requests for food. Evidence of this need was shown by the Sunday headline story on the front page of *The Indianapolis Star*, "Demand Swamps Food Pantries" (November 7, 1999). According to the reporter, Bill Theobald, "Food pantries throughout the area are being deluged – sometimes facing up to twice the number of people who were at their doorsteps just a few months ago." Gleaners Food Bank, which is the major supplier of Marion county pantries, has reported a 60 percent increase in the amount of food distributed during the last two years. One of Marion County's referral services also reported a 17 percent increase in calls for food assistance in 1998. While many who are involved in providing food assistance regard welfare reform as the cause of this rising demand for food assistance, some acknowledge that it is not always a direct link. In other words, some of the increased need for food assistance is due to people being ineligible for welfare, but others need food assistance because they are now working, but not at jobs that pay enough to cover their living expenses. For example, for those families whose income is at or near the minimum wage, after they pay their rent and utilities from their monthly wages, not enough remains to feed their children. More and more families must turn to food pantries to get some help in feeding their families.

Care Needed for Children and Youth

Insufficient childcare was widely acknowledged. One organization responsible for coordinating the provision of Marion County's childcare for families moving off welfare, served 15,000 last year, but added 6,500 to its waiting lists. Furthermore, this organization reported that half of their 15,000 cases received childcare in unlicensed homes or facilities. Concerns were widely expressed by agency directors about the lack of licensed childcare and the potential risks for children who must be placed in unlicensed care. Additionally, neighborhood community center directors pointed out the need for more childcare in one's neighborhood. Thus, several multi-service centers have established – or expanded – their own childcare programs. These centers report substantial increases in requests for childcare since 1995, which has led them to limit childcare and youth programs to children whose parents are working. Several nonprofit agencies discussed the seemingly endless need for childcare both before and after school, as well as during school breaks. A multi-service center reported that they transport children from schools to childcare for parents who are working. One childcare director said she believes "there is no way to provide enough childcare."

Some youth-serving agencies discussed the difficulties that arise when adolescents lack adult supervision at home because the parent is working in the evenings or on the weekends. With welfare reform seeking to move all parents into the workforce, youth serving agencies believe that youth problems, such as delinquency and pregnancy, are increasing as well as the school performance problems that result when parents are not present in the evening to supervise completion of homework. One director concluded that children and youth are more violent, volatile, and having much less success in school. An intermediary for youth-serving organizations in Marion County reported that the needs of youth have intensified. This organization sees a growing need for youth programs to help them grow up well. This has been

caused by parents having to spend more time working to get the needed resources to support their families' needs. Another intermediary organization provides funding for volunteer service projects in the community. In the last few years, one funding organization has received more grant requests for more money. One respondent thinks this reflects the strain due to economics on families. Although it funds more than 100 projects per year for young people, this organization is only able to fund about 60 percent of Marion County requests.

Transportation Needs

Transportation was widely reported as a major barrier for many welfare recipients who find that available jobs aren't accessible. Several agencies reported the need for people to own cars so they can obtain jobs that aren't accessible by bus. Only one agency reported having established a service to assist low income families with a car purchase and insurance. Through their "Family Loan" program, which was started in 1997, families can borrow up to \$2,500. While the loans can be provided for other needs, the most frequent reason has been to buy a car. According to the agency's director, the program's goal is to help women and their families achieve more independence. Their agency does little publicity because they lack sufficient funding to meet the needs. Several other agencies, such as community centers, have some money to assist clients with car repairs, but none have sufficient resources to assist the number of people whose income is inadequate to cover the expenses of maintaining a car. Likewise, another organization operates a "Barrier Busters" program to help clients with work-related expenses, such as a car. However, funding is not nearly sufficient to respond to the tremendous needs. And the director reported some challenges in finding car garages and automobile insurers that will wait for delayed payment that results from the time needed for governmental processing of the bills.

Public transportation was cited by numerous agencies as woefully inadequate in providing easy access to job sites. Many directors discussed the challenges for welfare recipients to get to jobs that might be only 2-3 miles from their homes, but due to bus lines, they might have to go downtown, transfer, and then ride to the job site. For many, they must also get their children to childcare, which involves additional transportation before and after work. Because of the travel time involved, many welfare recipients are away from home 11 -12 or more hours a day. Then there are added complications if the job involves working on weekends or evenings when bus schedules become more infrequent or nonexistent.

Healthcare Needs

An organization that provides healthcare to low/no income people in several Indianapolis neighborhoods, cited a growing need for healthcare. In 1999, their clinics have seen about 800 new patients per month. Their clinics have seen a substantial increase in people seeking services partly because people are working in jobs that do not provide insurance. Their increase in patients is also due to the children who are now eligible for the health insurance program that was created through welfare reform policy to provide healthcare for children and pregnant women in poor families.

This organization's clinics are seeing an increase in homeless people, and they report significant increases in violence in homes and low-income neighborhoods. Furthermore, their clinics are not able to meet the needs of their patients for mental health and substance abuse treatment. Healthnet clinics report that depression is the most diagnosed code and substance abuse is also a frequent diagnosis.

Although this organization has had an increase in demand for services, their Medicaid funding dropped dramatically from 1995-1997. Their funding is being re-established, partly due to the children who are now eligible for another health insurance program. This organization plans to partner with a local CDC to build a clinic to meet this Northeastside neighborhood's healthcare needs. A similar partnership is planned with another community center to meet the healthcare needs of the near Westside.

Treatment Needed for Substance Abuse

As one respondent noted, services to address substance abuse problems are much needed, but funding is infrequently available for services to address substance use. Directors of Marion County organizations repeatedly cited drugs and alcohol as a primary factor that has kept families dependent on welfare. Few organizations reported having funding for treating drug and alcohol problems, which suggests that the significant contribution of substance abuse to welfare dependency has not been recognized and thus funding for substance abuse programs and services is not routinely included in contracts with service providers. One of the for-profit employment programs has contracted with a private mental health center to provide mental health and substance abuse assessments of their clients. One respondent views this service as increasingly needed because more of the clients being referred by another organization have significant mental health or substance abuse problems. While no other employment program reported a formal partnership with a mental health agency, several directors discussed the increasingly complex problems of their clients who need help securing employment.

Needs Due to Increased Stress

Another change that several family agencies reported was the increased stress that families are experiencing. One director thinks that their children act out the added stress that welfare reform puts on families. When families that have been dependent on welfare move into the workforce, they often experience considerable stress associated with the pressures of the job in addition to the challenges of public transportation, managing childcare, getting one's children to medical and dental appointments, family illness, and supervising the activities of one's children. Another director commented that moving from welfare into low wage jobs puts a terrible drain on the coping skills of most families.

Needs for Adoption Assistance

In addition to these aspects of increasing need for services that appear linked to moving thousands of Marion County residents off public assistance since 1995, there are some other areas of rising service demands that may be more subtle consequences of welfare reform. Several Marion County adoption organizations were interviewed and some reported that since 1995, there has been both an increase in pregnant women seeking their services and substantial increase in the funding needed to provide the medical care, which their clients need. Some directors of adoption agencies also discussed the increased need for living assistance during the mother's pregnancy. Some directors suspect that placing one's child(ren) up for adoption is a last resort for families who have exhausted their lifetime eligibility for welfare assistance. Another factor that has likely led to increased requests for adoption services is the elimination of increases in welfare assistance for additional children born after the mother becomes a welfare recipient. Thus, families must cover the expenses of an additional child with the same amount of welfare assistance that the family had received prior to the birth of another child. Not only do the new limitations on welfare assistance lead to increased requests for adoption services, but it has also led more mothers to *reluctantly* place their children for adoption. One director commented that such clients are "resentful because they are forced to make decisions they're not comfortable with." In general, Marion County adoption organizations believe that welfare reform has led more pregnant women to seek adoption services since 1995, and they anticipate more requests as families exhaust their welfare benefits. One agency director expressed grave doubt that non-profit adoption agencies like hers will be able to meet the growing demand for services to pregnant women.

Increase in Reported Child Abuse and Neglect

Another area of growing demand for services is due to the increase in Marion County's child welfare caseload. The number of children being hurt, abused, abandoned, and neglected has been rising during the last few years while the public assistance caseload has declined from 15,000 to 7,000. One director reported that it "really bothers me" that there has been an increase in both the number of child abuse reports and the number of child welfare cases that receive ongoing services to prevent further harm to the children. Similarly the director of a private family and child welfare agency reported substantial growth in the incidence of sex abuse in the families that her staff treat. Could the rising incidence of children being hurt in Marion County be linked to welfare reform? As reported by several of the Marion County family agencies included in this study, they are seeing more families who are under much stress as they try to meet their work and family responsibilities. Such stressful conditions could contribute to children being hurt by an exhausted parent. Likewise, children who are not receiving adequate care and supervision, such as during a school holiday when a parent must work or after school or during the evenings when children are home while the parent is still at work, might be deemed to be neglected. Another possible link to welfare reform of the reported increase in child abuse could be the lack of alternatives to permit the mother to move her children away from the home of the abuser without becoming homeless. If the mother has exhausted her eligibility for welfare

assistance, she and her children may remain with the abuser because of the financial support that he provides for the family.

Employers Need Help Obtaining Workers

In addition to the factors associated with moving people from welfare to work, directors of several employment programs cite the increased requests from employers for assistance in securing workers. Employers need help getting workers in a low unemployment economy, as it is difficult to attract and retain employees, particularly for low-skilled jobs. Thus, some employment programs report that employers have been more likely to request assistance in obtaining prospective employees because the economy is thriving. Using a third party to recruit, screen, and train employees is better than a company performing these functions. In a strong economy, there is not a good pool of job seekers. Both governmental and for-profit employment services reported an increased use of their services by employers seeking entry-level employees. For instance, some suburban Burger King franchises contracted with one of the for-profit jobs programs in Indianapolis to secure workers and transport them to the Burger King locations. Other arrangements with employers have involved doing some pre-screening of interested welfare recipients and arranging the interviews for employers to conduct in neighborhood locations. Occasionally, employment programs contract with employers to provide the workers who initially are placed on the employment program's payroll during a probationary period. When the recipient's work has been shown to be satisfactory, they are transferred to the employer's payroll. There may be a growing need for this type of arrangement so that recipients who have little or no work history and perhaps other risk factors, such as a substance abuse problem or criminal record can have a chance to enter the workforce. One higher education Chancellor also described the skill centers, which his organization operates for several businesses and industries in which the employers contract with Ivy Tech to build their employees' skills. To remain competitive in a strong economy, employers need to provide this training rather than require their employees to obtain it on their own.

Needs Due to Living in Poverty

In addition to the increased service requests from people needing to move from welfare to work, some of the growing needs for services are indirectly linked to welfare reform. Family agencies observe that moving from welfare into low wage jobs still leaves these families in poverty. Poverty means having constant worries about finding food and keeping the rent paid, the heat and lights on, getting to work even when you or your children are sick, and keeping your kids out of trouble while you are at work. Family agencies report that more requests are being made for their services because children are getting into more trouble at school and in the neighborhood. Such problems are often linked to parents whose work schedules prevent them from being available to supervise their children.

Needs Due to the Changing Nature of Work

In addition to the service requests caused by welfare reform, a supervisor for one of the Marion County offices for the Department of Workforce Development pointed out that the nature of work is changing. She discussed the ongoing decline in the availability of good wage jobs for people with limited education and no specialized job training. She commented that those who can not read or do not have a high school diploma cannot get a good factory job as before. She noted that many jobs as laborers in various industries have been eliminated by the growing implementation of technology. Jobs that have been created due to the growing use of technology typically require more education and specialized training than the labor jobs that are eliminated by the influx of technology. Thus, many welfare recipients will not be able to compete successfully for available jobs in areas, such as technology, and they will not find many opportunities for good wage jobs that don't require special skills. Furthermore, a social service director commented that a typical consequence of being forced into a low wage job is that one must take on a second job in order to support one's family. When one works 50, 60, or more hours a week, the children are increasingly dependent on community organizations for supervised activities and childcare. This director also pointed out that in these cases, parents are no longer getting to raise their children because their children's waking hours are overwhelmingly spent away from their parents.

B. Extent of Unmet Employment and Training Services Since Welfare Reform

Since the implementation of welfare reform legislation, major barriers for organizations in their delivery of employment services are the federal eligibility requirements and the Indiana requirement that the cash match for welfare to work programs be provided locally. Virtually, every organization that offered some type of "welfare to work" program voiced their frustration with the limitations on funding based on the 70 percent and 30 percent rules. Over and over the complaint was heard about how few recipients meet the eligibility requirements for employment programs that receive 70 percent of the welfare to work funding. Conversely, having many recipients who need assistance with job placement and retention but fall into the eligibility category for which only 30 percent of the welfare to work funds are designated challenges organizations. Thus, employment programs experience "excess capacity" because there aren't enough welfare recipients who meet the eligibility requirements for the 70% category. Yet, simultaneously, these organizations face excess demand from those welfare recipients who need employment services, but are ineligible for funding. Directors also expressed concern that the general public may receive the wrong message, because they are likely to interpret the data on "excess capacity" in welfare to work programs to mean that welfare recipients don't need assistance securing and maintaining work.

Several directors also mentioned their frustration with Indiana's decision to require that the 50% cash match for welfare to work programs be entirely provided by local governmental entities instead of some of the match coming from state funds. Thus, assistance provided by township trustees constitutes the bulk of the revenue that can be used to match federal funding for welfare

to work programs in Marion County. Directors voiced concern that this limits the availability of employment assistance to local welfare recipients and prevents many from getting the employment help that is needed. Some were particularly bitter about the lack of state support for welfare to work programs, because the State had a huge budget surplus in 1998, but was not willing to spend any of it on welfare to work programs.

IV. Organizational Structure and Collaboration

A. Nature and Extent of Intra-Organizational Change and Collaboration Since Welfare Reform

Focus on Employment Services

Since 1995, established social service providers, such as neighborhood centers, have been rapidly developing jobs programs for welfare recipients. One organization provides a striking example of the magnitude of change that has occurred in nonprofit organizations as they seek to address the need to move welfare recipients into the workforce. Ten years ago, this organization served only disabled clients. By 1998, disabled clients constituted only one-third of their clients because they have added several programs to prepare and place welfare recipients into the workforce. Furthermore, this organization's caseload has grown tremendously since welfare reform began in 1995. In 1998, Goodwill placed over 3,500 people in jobs which contrasted with 516 job placements in 1994.

Similarly, since 1995, one director reports, "we're a lot more focused on employment." Their center has shifted their service delivery focus to assist clients to enter the workforce. They had the first Marion County demonstration project on family self-sufficiency and have continued to focus on assisting clients to upgrade their skills and get jobs. One community center director noted that becoming involved in job programs is new for many of the community centers and is a direct result of welfare reform. Because employment programs had not historically been part of their mission and services, this director also reported that many staff members had to be educated about the need to offer employment programs to assist many neighborhood residents move from welfare into the workforce.

One CDC offers another example of an organization that has expanded its traditional focus to include employment services. As a Community Development Corporation, their primary mission has been to increase the supply of affordable housing and assist businesses in their specified area. A few years ago, they also recognized the employment needs of many who are homeless or at risk of homelessness and established a job readiness program.

Changing Types of Employment Services

Not only are more social service and community development organizations becoming involved in providing employment programs for welfare recipients, but also a significant change has occurred in the focus of employment services. Particularly among organizations that had relied on JTPA funding for their employment programs, welfare reform has fostered considerable change because contracts now emphasize job placement and retention, not job training and education. Thus, organizations that had a history of providing programs to prepare welfare clients to move into the workforce have had to shift from their usual approach of providing training to clients regardless of opportunities for employment in those areas. Now they must work with employers to get welfare recipients hired and then work with the clients to insure that they maintain their jobs. Training has become an ancillary service rather than the main focus of employment programs. As one director commented, the expectation for government funds due to welfare reform is that they “will be spent on getting people into the workforce.” Another director of a nonprofit training program commented that his organization stresses training that is market driven, such as construction and building maintenance. Likewise, another nonprofit training director reported that their employment program is focused on matching or developing the clients’ skills that meet the employers’ needs for positions such as Certified Nursing Assistants or construction trades. This organizational shift that has been occurring in the aftermath of welfare reform is causing many organizations to prepare clients for real jobs and not train them to make a product or perform a service that the market does not need.

In addition to changing the focus of employment services to job placement, some organizations reported shifting the timing of job training. One agency reported that after their clients are placed into jobs, they offer training to help clients move toward self-sufficiency. Post-placement training is important because many people move from welfare into low wage jobs, which will not permit self-sufficiency. Furthermore, several directors expressed confidence that training people after they are oriented to a work environment will be more effective than the traditional employment programs that were funded to provide clients with training first, but failed to have much success in getting people into jobs after they were trained.

Reduced Job Training

A theme in the responses made by directors was that their organizations are being asked to do more in less time with more difficult clients. For instance the “work first” philosophy of welfare reform has caused training time for welfare recipients to be reduced. For example, a long-standing organization that trains welfare recipients reported that they have lost training contracts because their office skills training takes more time than governmental funding allows. Other organizations have had to reduce the amount of training they provide recipients, because the funding is not available for extensive training. For example, a pharmacy-training program was shortened so that welfare recipients could receive training in this area of strong employment demand without exceeding the amount of funding available to organizations to conduct such training. Furthermore, one director reported that only one year of post high school training is now permitted and all training must be directly related to employment. This contrasts to the

opportunities that welfare recipients used to have to earn college degrees. Such limitations on training have considerably effected many organizations.

Wholistic vs. Crisis Intervention

Several social service providers discussed their efforts to move their organization away from mainly responding to people in crisis to instead work with clients to build assets and protect them against getting into crisis constantly. When their staff looks beyond the immediate crisis of eviction, utilities being shutoff, or hunger, they often find that the cause of these crises is the lack of a good job. Thus, organizations are changing their service delivery approach to address the core issue and to intervene wholistically with all the relevant aspects that are related to a core need, such as a good job. Working wholistically to address core issues helps clients stay out of the crisis mode and benefits the organization by increasing their efficient use of resources. One director reported that their center has shifted in the last few years from mostly providing emergency services to providing wholistic service with the goal of client self-sufficiency. Another director said that they have increased the number of professional staff so that they can focus on the whole person and not just the crisis that brought them in for food, medication, and so forth. Another agency's director of employment services reported that his organization seeks to address all the person's needs and not just provide them with job training. He also said that working wholistically needs to include the entire family to be sure that their needs are met and will not detract from the worker's time and energy needed to perform their job effectively.

Related to working wholistically are the programs and services that organizations have developed to support employment. As mentioned in the previous section, programs have been developed to meet the transportation needs of poor families. One agency operates a family loan program that offers loans up to \$2500, and families have sought these loans primarily to help them obtain a car. Marion County also operates a "Barrier Busters" program that assists some IMPACT clients obtain such things as tools and cars to enable them to work.

Another significant organizational change is the increased level of service needed to insure permanent placement for welfare recipients in the workforce. Numerous directors spoke of the growing demands on their organization's resources because of the complex needs of those clients who are still on welfare. Organizations have had to increase the level of services provided to individual welfare clients because those who remain on welfare are much needier and have many more barriers to success in the workforce. As the director of the for-profit employment program said, "Those welfare recipients who are easy to serve are already working."

Because the typical client who is eligible for welfare to work programs has multiple barriers, they need wholistic services, not just placement in a job. One director said that her center obtained a welfare to work contract in 1999 to train forklift operators who are "hard to employ" welfare recipients. After a week of job readiness training, clients are placed in a forklift operator's position with their for-profit partner. Welfare to work participants in this program are eligible for childcare subsidies and can receive additional assistance up to a total cost of \$1,000

for employment barriers, such as rent or utility deposits, fees for a driver's license, unpaid traffic fines, and so forth.

70/30 WTW Funding Formula Headache

Coupled with more and more clients being harder to serve because of their complex problems is the fact that welfare to work legislation has a funding formula that is causing headaches for many organizations. Several directors discussed their frustration in not being able to help many who are in need of services because they are not eligible for WTW programs such as a forklift operator program. Because 70 percent of the welfare to work funding is designated for welfare recipients with the most barriers, organizations must focus on those who are hardest to serve, if they are to be competitive for WTW contracts. Thus, organizations obtain contracts to operate programs that are designed for those recipients with the most barriers. The organizational headache lies in WTW's narrow definition of eligibility that results in few Marion County welfare clients being eligible for the programs that receive 70 percent of WTW funding. Thus, organizations often are unable to receive their full contracted funding because of insufficient clients to participate in their program. Funding shortfalls can create organizational problems because staff are often hired and paid based on a program's budget.

B. Nature and Extent of Inter-Organizational Change and Collaboration Since Welfare Reform

Career Corner

Directors discussed numerous examples of partnerships that their organizations had undertaken with other providers to deliver employment services in the last few years. An example is a community center that partnered with a religious -based organization to establish a career service program in 1995. Through this program, participants prepare to earn their GED and obtain job training plus the needed supportive assistance for things such as housing, utilities, and food. The director of such a center regards this type of partnership as typical of the collaboration fostered by welfare reform. He reported that he "sees more true collaboration among service providers, such as his Center's work with [other social service providers]. He believes that agencies are moving beyond parallel service delivery to integration of services."

One Stop Employment Services

A major change for several employment services was Indiana's creation of "One Stop" offices that were implemented on July 1, 1999, in response to the Workforce Investment Act (WIA). This legislation seeks to concentrate employment services in one location and provide integrated employment services. These employment offices are intended to provide the full array of job services for anyone who wants help with employment, including those who are working. Indianapolis locations will have staff from many social service agencies who will work together to assess the worker's needs for education, training, job preparation and job placement. Funding

for the four Indianapolis “One Stop” offices is provided from various public and private organizations and is administered by a private council. According to the one director, the WIA legislation replaces JTPA programs and is intended to expand eligibility and make the employment services more comprehensive. Indianapolis’ One Stop offices will offer three levels of employment services: (1) Core services which are open to all who want employment help and are people who can conduct a self-directed job search; (2) Intensive Services which involves case management for those who need assistance with job skills assessment, job search and placement assistance, etc.; and (3) Training for those who can’t secure employment through the other two approaches because they require training for a specific work area; such clients receive vouchers to buy training from a list of approved providers. Another director pointed out that WIA will also permit those who are already working to qualify for training that prepares them for higher positions, unlike JTPA training which was limited to unemployed people. Because the “One Stop” offices were just implemented on July 1, 1999, it is too soon to evaluate their effectiveness in providing comprehensive employment services. However, one director expressed doubt that the WIA services will equal, much less surpass, the job training that was supported by JTPA funding. He foresees the emphasis of WIA services, like welfare reform, being on work and doubts that much training will be available, particularly training to upgrade skills. Another director expressed doubts about the benefits of WIA for clients because it appears to have been designed to meet the needs of employers. Furthermore, one director observed that Indiana’s plans for WIA look a lot like JTPA and that’s “bad news.”

Hospitality Institute

This is another example of a collaborative effort that grew out of the needs of downtown employers in the hospitality industry. Another educational institute involves collaboration among for-profit, non-profit, and religious organizations with substantial funding from private endowment that is administered by the city. Agencies have contracted with this organization to recruit and train people from seven inner city neighborhoods for positions in downtown hotels and restaurants. This institute conducts its training at a church. Not only does this church provide the space for the institute’s training, they also assist trainees with other needs, such as housing. This church is renovating space for a transitional housing program and plans to partner with the institute trainees to prepare food for the residents after the housing units become inhabited. The directors of all three organizations spoke enthusiastically about the institute’s training program and its benefits for both employers and program participants.

Pharmacy Tech Training

Another organization that is providing pharmacy tech training gives another example of a collaborative organizational effort to provide job training and placement is the partnership among organizations to train pharmacy technicians. Due to a shortage of pharmacy technicians, One private organization developed a six-month training program that includes three months of training that is conducted at the local center. Participants then complete three months of training on the job and CVS gets the first chance to hire participants as pharmacy technicians.

This six-month WTW training program for pharmacy technicians contrasts to the two year pharmacy tech program that Ivy Tech offers, and it illustrates how organizations have designed shorter training programs for welfare recipients so the programs will be eligible for welfare reform funding. One director cited the “work first philosophy” of welfare reform as the reason for the substantial reduction in the training provided to welfare recipients who aspire to become pharmacy technicians. While this represents an excellent example of the types of organizational collaborations that have been spawned by welfare reform, it is not without risk to substantially curtail training. Some directors believed there are risks in providing shortened training because clients won’t be sufficiently prepared to pass licensing exams and/or will not be able to perform their jobs to the employers’ satisfaction.

Collaborative Childcare Services

An example of a partnership that emerged to support the transition of mothers from welfare to work is the development of childcare centers that a public organization established in two Indianapolis public housing projects. This organization assessed the needs for childcare for mothers in these housing communities who work or participate in job training. The director noted the importance of having childcare that is near home so that mothers can have their children cared for in a safe setting that does not involve additional transportation.

Another example of a partnership that has emerged to facilitate the movement of mothers from welfare to work can be seen in the collaboration efforts by various social service providers. Some organizations have partnered to provide before and after school programs in public housing communities. This represents a change in the way this organization typically delivers its programs, because the staff go to the housing project and provide the services rather than having the children come to the facility location to participate in their programs. This organization recognized that children in these neighborhoods do not have transportation to get to the location. Furthermore, the this organization decided to make this change and provide neighborhood services because they realized that women who are leaving welfare to go to work have needs for *neighborhood* services to care for their children before and after school.

Summer Youth Programs

Another major collaborative effort is a summer youth program, which was established to coordinate the funding of programs designed to constructively meet the needs of youth who are on vacation from school. This collaboration among funders has grown to include the city and seven other funding sources that collectively review grant requests from organizations that seek to provide services to youth during the summer weeks. For the summer of 1999, proposals from 350 providers were received and the eight funding partners awarded \$1.2 million. While the youth who participate in these summer programs are not all in families that have been affected by welfare reform, both foundations believe that the need for supervising the summer activities

of children and youth has grown considerably due to the number of mothers leaving welfare to enter the workforce.

Collaboration among Funders

In addition to the partnerships among service providers, there seems to be an increase in collaboration among private funders. As already discussed, there have been several joint efforts to fund the services needed to aid people move into the workforce and remain employed. Furthermore, a private endowment anticipates more need for private funding for projects that historically would have been dependent on public funding. This endowment is pondering questions such as: (1) “How do private foundations determine when to support something that has previously been publicly funded?” and (2) “What is it that private funders do best and what is the best way for private and public dollars to co-mingle?” One social service provider pointed out that private foundations usually award grants for innovative programs, not long-term, on-going projects, but that they are now re-examining this long-standing approach to insure that funding practices achieve the funders’ goals for providing the best services to meet the needs.

V. Summary of Results

A. Impact on Social Service Organizations and Provider Networks

To begin this concluding section, it seems important to look beyond the impact of welfare reform on organizations and recipients. Directors of many organizations discussed their concerns about the anticipated consequences of welfare reform on a multitude of social problems.

Increases are anticipated in these social problems:

- ?? Working Poor – due to the lack of sustained welfare aid, working becomes a necessity but most recipients will remain poor because access to good-paying jobs remains quite limited;
- ?? Homelessness – due to low wage jobs that provide inadequate income to keep the family’s needs met and the lack of sufficient funding for housing subsidies;
- ?? Crime and Violence – due to the loss of TANF assistance, some will turn to the streets to replace the lost income and some will result from teenagers who aren’t adequately supervised because their mothers are working;
- ?? Health problems – due to jobs that lack insurance benefits and no government funded insurance for adults;
- ?? Latchkey children – due to more and more working mothers and insufficient childcare, children will be left alone at younger ages;

- ?? Domestic violence – due to mothers remaining with abusive partners because their families face homelessness if they leave the abuser and the abuser’s financial support;
- ?? Child abuse, sexual abuse, and neglect – due to the stress on parents of trying to manage with limited resources and/or the mothers remaining with the offenders because their children need the financial support provided by the offender;
- ?? Abortion and Adoption – due to the limits on TANF and jobs that pay barely more than the minimum wage, more women will seek abortions or adoption placements for children whom they cannot support;

B. Impacts on Individual Social Service Providers and Clients

Clearly, Marion County organizations are seeking to address the needs of both welfare recipients and those who move into the workforce, but remain poor. Agencies have greatly expanded their employment programs to assist welfare recipients enter and remain in the workforce. They are also trying to expand the supportive services for families, such as daycare, before/after school programs, transportation assistance, health clinics, and safe, affordable housing. Nevertheless, organizations believe that there is not nearly enough funding to assist families to move from welfare to self-sufficiency. Specific organizational obstacles include: (1) 70/30 percent funding of WTW programs, (2) difficulty obtaining client referrals for WTW programs, (3) performance contracts, (4) lack of state funding for WTW programs, (5) lack of funding for comprehensive, sustained services, and (6) barriers to collaboration. Ultimately, there is concern about the way welfare reform is shaping the way organizations deliver services, and some discussed the fear that some agencies may not be able to survive.

Eligibility Requirements

Numerous directors were very frustrated with the growing challenges they face in obtaining eligible clients as participants in their employment programs. All find the federal 70/30 percent rule a major obstacle to being able to assist the majority of welfare recipients move into the workforce. This requirement funnels 70 percent of the funding to those with the most employment barriers. While some directors acknowledge that policy makers may have intended this 70/30 percent rule to insure that all welfare recipients become employed, all directors regard this policy rule as unworkable. Apparently policy makers had poor data on the barriers to employment of welfare recipients, because only a small number of recipients meet all of the requirements to be eligible for the services that receive 70% of the WTW funding. Organizations, such as Job Works, repeatedly cited examples of welfare recipients who must be turned away despite having many barriers to employment such as having been a long-term recipient, fifth grade reading skills, and having several children. However, she is ineligible for the programs that receive 70 percent of the funding because she has her high school diploma. Although some efforts have begun to secure a change in this federal policy, the ongoing reality

in Marion County is that local organizations with contracts to provide employment services are not able to use some of the funding that has been awarded to them in contracts because there aren't enough welfare recipients who meet the very restrictive eligibility requirements. One director claimed that in Marion County, only eight percent of welfare recipients meet the eligibility requirements for the 70 percent funding. Furthermore, one director pointed out that because of these eligibility limitations, most welfare recipients receive no services to assist them in moving from welfare into the workforce.

Widespread frustration, due to their inability to serve the number of welfare recipients for which they have contracted, was typical among service providers. For the fiscal year that ended on June 30, 1998, only 3.85 million of the 5.5 million dollar IMPACT revenue was spent due to the inability of service providers to use all of the funding available in their contracts. Similarly, one director reported that last year, his/her organization received in excess of seven million dollars in WTW funding to help families move from welfare to work. However, this money was largely inaccessible to service providers because of the eligibility restrictions. One director fears that this creates the appearance that his/her organization is not helping welfare recipients because a big pot of money has not been spent. Directors of other organizations expressed concern that when organizations have unused funds that it contributes to the public perception that people on welfare don't really need the services.

Because of the considerable difficulty that many Marion county organizations have experienced getting eligible welfare recipients into their employment programs, some have begun to question the motives of Congress in creating so many barriers to entry into the welfare to work programs. Some wonder whether Congress deliberately created rules that prevent most welfare recipients from being eligible for the "carrot"? Regardless of the Congressional intent, many welfare recipients and the organizations with contracts to serve them are finding the welfare reform "carrot" to be largely an illusion. This leaves only the "stick" to reduce the welfare rolls – which involves placing sanctions on recipients for not looking for work or completely terminating them from receiving welfare benefits. Social service directors who participated in this study do not believe that "the stick" is the appropriate intervention for most of the remaining welfare recipients because of their numerous deficits and barriers to successful employment.

Obtaining Referrals

The slow process of receiving client referrals from a Marion County organization frustrates many organizations that provide employment services for welfare recipients. One director discussed the organizational challenge of having a contract that calls for 200 clients, but only receiving 50 referrals. He said this is a serious problem, which is "ripping through a host of organizations." Some directors also discussed the additional frustration of not being permitted to recruit welfare recipients into their employment programs. Directors of various organizations spoke of the additional frustration with having welfare recipients seek employment services from their agencies, but not being able to serve these clients until Marion County certifies their eligibility. Several organizations reported that it takes several weeks for this public organization

to determine a client's eligibility and pointed out that such delays are detrimental to both the service providers and the clients. Repeatedly, directors spoke of being unable to collect the full amount of their WTW contracts because they do not get enough referrals.

Barrier to Collaboration

Some directors believe that more collaboration between the county agencies and vendors of employment services would expedite the eligibility determination and entrance of clients into employment. However, some organizations believe that there is a disincentive for county agency workers to collaborate with other organizations that provide employment programs because they fear losing their jobs if they refer more and more welfare recipients to other organizations for job assistance. Clearly, county agency employees have realistic fears about losing their jobs as the need for public assistance caseworkers must have declined dramatically due to the 50 percent reduction in public assistance cases in Marion County since 1995. One apparent remedy for this threat to jobs for ADC caseworkers is to identify opportunities for internal transfers. Thus, in 1998, Marion County awarded one of its contracts for a jobs program to an internal group of family case coordinators. Many employment organizations expected that this would become the norm for the next fiscal year. However, some organizations expressed doubt that county caseworkers can effectively provide the kind of assistance recipients need to succeed in the workforce. One county director disputes these critics and believes that her staff members are very invested in helping clients succeed in the workforce.

Performance-Based Contracts

Welfare reform has led to the widespread use of performance-based contracts. For example, the a Marion County program only enters into performance-based contracts, in which a provider organization is paid only after they have met the outcomes that were stipulated in the contract regardless of the amount of funding that was awarded. Performance contracts replaced contracts in which service providers were reimbursed for delivering specific services. Thus, in the past, employment and training providers were often paid for getting welfare clients into various training classes or engaging in job searches. Now the basis for payment focuses on the outcome: Are they working? Thus, service providers find that regardless of the amount of job preparation or training that clients may need, the organization will receive payment only when the clients are employed.

While some organizations believe that focusing on outcomes is beneficial, many cite numerous disadvantages. The major benefit seems to be the elimination of the cost of unnecessary training. One director believes that the past reimbursement policy may have led to some welfare recipients being sent to various training classes regardless of the client's need so that the provider could be paid. Many directors reported problems with performance contracts that focus on employment as the basis of payment to service providers. First is the pressure on service providers to get those welfare recipients with the fewest needs into their employment programs so they can readily get them into the workforce and receive payment. Such "creaming the crop" seems

understandable given the focus of welfare reform contracts, but this process has led to considerable animosity towards “successful” service providers. Some organizations regard providers who “cream the crop” as self-serving because such clients could probably have gotten into the workforce without the assistance of any service provider. While the resulting animosity cannot be readily quantified, it seems to be a major problem that results from the pressure on service providers to deliver the outcome. Another consequence of forcing service providers to focus exclusively on getting welfare recipients into the workforce is that recipients with numerous barriers to employment are often overlooked. This is particularly true if the recipient is not eligible for the “70 percent funding” category and thus the service provider will not receive much funding to aid such recipients to overcome their deficits and become employed. A final, and perhaps most significant, consequence of focusing only on the outcome of getting recipients to work is that no monitoring of the means used to get clients employed is required. One director views this positively because the “provider can use whatever means chosen to achieve performance goals.” However, the lack of external monitoring of the means of achieving outcomes leaves the clients dependent on service providers to act ethically. Hence the concern about the means that organizations may use in their quest to achieve job placement and retention outcomes and receive payment. Many organizations share this concern but often expressed it as criticism of service providers that are perceived as having acted expediently to simply place recipients in jobs who clearly were not job ready. While such criticism of their fellow providers is understandable, it creates ill will among organizations that need to work together if the ultimate outcome of having everyone working is to be attained. Thus, the prevailing policy needs revised so that the risk that the “ends will justify the means” will not occur in the provision of welfare to work programs.

Social Service Delivery

One director expressed concern about welfare reform having become a major influence on the way social services are delivered. How social service organizations do the work is becoming driven by the way welfare reform contracts fund welfare to work programs. Welfare reform funding is driven by performance contracts that focus on outcomes not services. While it may seem reasonable to require service providers to not just ‘do the right thing’ but be able to show it, outcomes are expensive to measure. Furthermore, evaluation can be more expensive than delivering program services. Thus, this director fears that how services are delivered may increasingly be ignored as agencies strive only to meet the performance objectives and get paid.

Funding Concerns

Moreover, many directors saw the State of Indiana’s refusal to contribute any state funds toward the required 50% match for WTW federal funds as creating a considerable burden on local organizations to come up with the necessary matching funds. Several directors expressed gratitude that the township trustees and private endowments have helped Marion County to meet the required matching funds. However, they noted that the lack of state funding to support

WTW programs is a barrier to providing the maximum possible assistance to Hoosier needing to move from welfare to work.

Moreover, one employment director said, “They can’t keep up with the changing program criteria and sources of government funding. Service providers fall behind or don’t know how to position themselves to get government funding to get people into the workforce. There are too many streams to follow.”

Need for In-depth Services

Many directors discussed the unrealistic challenge faced by their organizations to deliver brief services to the many recipients who have many barriers to success on the job. In the mental health field, this would be comparable to offering only crisis intervention service to a patient with schizophrenia. Perhaps these unrealistic expectations for quick fixes stem from the belief that in a strong economy not much assistance is needed to move welfare recipients into the workforce. While a strong economy certainly increases the number of jobs available, many directors commented that it does nothing to make welfare recipients “job ready.” Thus one director of a for-profit social service agency reported that people need services to move off welfare regardless of the economy’s strength because they have trouble getting and keeping jobs. Similarly, one of the neighborhood center directors commented, “this is no short-term crisis” for our clients who must move off welfare. She reported that since 1995, her center has had a significant increase in the number of clients who require intensive case management. Her staff must work with welfare clients over a much longer time to address their multiple needs and build the skills to manage on their own. Another neighborhood center director discussed the growing difficulty of serving the population that remains on welfare. She reported that they are more difficult to reach, employ, and keep employed. To succeed in serving them will require more services, but like most directors, she does not foresee an increase in funding support to address clients’ greater needs. Interfaith Hospitality, a faith-based service provider, reported that their clients are homeless, unemployed, likely to have drug histories and have exhausted all available community resources, including the Township Trustees, and they still can’t make it. One director concluded that their clients require a very concentrated effort, and her organization has a very difficult time “pulling more rabbits out of the hat” in order to address the need. Likewise, another director of an organization that has a long history of serving pregnant women, commented, “Welfare reform wants a quick fix for complex long-standing problems.” Most organizations that are serving welfare recipients commented that their clients have increasingly complex, long-standing issues that their staff are supposed to fix in three months. While pregnancy is the problem that brings her here, it is almost the least of her issues because she needs housing, transportation, childcare, education, safety from violence, and of course, a job. One director concluded that it is impossible for service providers to fix such complex, entrenched problems quickly.

Replacing welfare with work would seem to be at least as challenging as the initiative undertaken in the 1960s to move people with chronic mental illnesses into the community.

Community mental health centers emerged in the late 1960s and early 1970s as a new service delivery system to help people with chronic mental illnesses live successfully in the community. As more and more patients were kept in the community, a new approach called “case management” developed to provide more intensive supports to patients than community agencies were accustomed to providing. A case management approach increases the successful retention of people in the community because it recognizes that they must be assisted to live in the community with a *chronic* illness. Chronic illnesses, unlike acute illnesses, require on -going services that assist the patient to maintain the best possible functioning.

Welfare reform does not seem to have recognized the chronicity of welfare dependency. Thus, unlike the community mental health movement, welfare to work policy has not been built on the premise that intensive, on-going services will be required for many to be sustained in the workforce. Instead, welfare reform seems to implicitly assume that this is an acute problem that can be quickly fixed. Numerous directors discussed the frustration and disappointment that are inherent to such policy. Disappointment will be experienced by:

- ?? employers who will lose employees because they require on-going services to succeed in the workforce;
- ?? employees who are quickly moved from welfare dependency into the workforce and then can’t figure out how to succeed on the job;
- ?? service providers who lack funding to provide the necessary supports for clients who have left welfare to enter the workforce; and
- ?? taxpayers who will once again feel let down by politicians who promised to “end welfare as we know it.”

Now that “easy to place recipients are working,” many directors discussed the need for intensive services and a case management approach to prepare those who remain on welfare to move into the workforce. One director discussed his/her organization’s increasing use of mentoring and coaching of individual clients to aid them in becoming the employee the employer needs. Likewise, one of the regional directors commented that IMPACT contracts have shifted toward funding job retention. Thus, his staff uses mentoring and job coaching to help welfare recipients learn what to do when workers have unexpected things arise, such as caring for a sick child, needing to go to a medical appointment, and so forth. He pointed out that after a lifetime on welfare, it takes time and one-on-one coaching to learn all the things needed to conform to the culture of work. Perhaps in recognition of the in -depth service needs of many recipients, some anticipated that the 1999 IMPACT contracts would return to paying providers for services delivered. However, at least one provider believes that such payment should still be linked to job placement to insure that clients get more than just training.

Sustained Supports Needed

Many directors discussed the need to do more than push welfare recipients into entry -level jobs. Some directors discussed cases in which people were abruptly terminated from receiving all types of assistance when they entered the workforce. One director believes that welfare reform does not allow for the transition time that is necessary – people are cut off before they have a chance to transition and become successful in the workforce. Likewise, the staff of Interfaith Hospitality has seen people get cut-off welfare as soon as the person goes to work. Without assistance through a period of transition, some end up homeless and turn to Interfaith or homeless shelters for help.

Several directors discussed the need to assist people to get good paying jobs. One community center staff person commented, “We need to focus on skill-building, not just \$6 per hour jobs, because this isn’t a livable wage.” Another director echoed this view when he said, “I think it’s the worst thing we’ve ever done to human beings. We make them take low -paying, substandard jobs and expect them to become self-sufficient immediately.” They need to go to trade school, vocational school, or community college to develop enough skills to have a job that pays enough to support their families. Furthermore, several directors pointed out that their organizations have experienced an increase in service requests from people who have moved into the workforce. One director estimated that his agency’s caseload has increased by 50 percent in the last four years because “as people get off welfare they become the working poor and now need more assistance than when they were on welfare.”

One respondent observed that despite efforts to become employed, most are still poor and their quality of family life may be worse due to the very limited time available for parents to be with their children. For example, if a woman’s job in housekeeping at Holiday Inn requires her to make 2-3 bus transfers both going to and returning from work, she may have to leave for work by 6 or 7 am and her “work day” may end at 7 or 8 pm. Then she has meals to prepare and all the household chores to perform and usually will have to go out to do the family laundry because she does not have a washer and dryer in her home. And oh by the way, her children need her to help with homework, bathe them, and get things for their school projects. Another director added that more difficulties often arise when women are offered a raise. Baffling as it seems, welfare reform policy causes some women to lose more aid than they will gain from the raise. Thus, this respondent concludes that many who have entered the workforce find it “frustrating to get so little back from solid efforts”.

Continuing Subsidies Needed

Directors of several organizations discussed the need for long -term subsidies for such things as child care, transportation, and medical expenses to sustain those who move off welfare into low wage jobs. For example, staff at a multi -service center see a strong need for more than two years of childcare subsidy. Because of the lack of literacy, mental limitations, and other major employment barriers for many people who are still receiving TANF, these directors believe that

it will take much more than two years to build sufficient skills and supports for these recipients to succeed well enough in the workforce that childcare assistance and other subsidies won't be needed. Another respondent goes further to assert that this country needs to provide permanent childcare subsidy for the working poor to insure that all children have sound care. He believes that we have a national responsibility to assist the working poor to insure that their families receive adequate support.

Furthermore, many directors believe that the need for subsidized services is rising because government says poor mothers must work, and often they have no choice other than jobs that pay poorly, and then they don't make enough to afford childcare without assistance. At \$6 per hour, she cannot afford to maintain a car and if bus service is lacking or schedule doesn't fit her work schedule, she needs a car to get to work. One respondent asked, "What can a mother do when the rent is due, her car's battery is dead, there is no bus to take to work, and she doesn't have enough money to replace the battery and pay the rent?"

Lacking adequate government funding for the needs of families that are moving off welfare into the workforce, nonprofit organizations must raise the needed funding from other sources. For example, one director reported that they must raise more money to subsidize services for families who can not afford the cost of childcare, before/after school youth programs, camps and other summer programs for children during school vacation periods. Another director echoed the funding concerns expressed by another director. The challenge for our program is getting the resources to keep these families going without welfare benefits. As she poignantly said, "[We] need to be able to offer more financial resources for food, clothing, shelter, childcare, transportation because a listening ear can only go so far."

Negative Impact

While many directors talked about the strength of welfare reform being the clear message that work is valuable, many also see the welfare reform policies as punitive in many respects. Many directors noted that sanctions can be imposed on families for many reasons, including failure to seek employment, reside in a drug-free environment or have one's children attend school regularly. For each violation of the "Personal Responsibility Agreement," the family loses \$90. Since the average monthly AFDC payment in 1994 was \$258, one sanction would reduce the monthly allotment by one-third. Furthermore, as some respondents pointed out, sanctions hurt children not just the non-compliant mother, because they all end up in the street.

Because of the limited access to employment assistance for most welfare recipients, several directors discussed the frustration for clients who try to obtain services only to find that they're in a bureaucratic quagmire. One director referred to this as family abuse that is perpetrated by government systems. One respondent observed, "We are the richest country in the world, but we don't provide the support needed by families who are primarily women and children." The message still is "Have the baby in the field and get back to picking cotton." Another director of

a nonprofit organization discussed the perception that welfare reform might more accurately be called “War on Poor People.”

Changing the Nature of Social Service Organizations

In the welfare to work rush to shift program funding from delivering services to outcome-based contracts, directors fear that social service institutions may die. Contracts no longer include funding for an organization’s infrastructure which threatens the survival of social service organizations that have little margin to absorb the infrastructure costs. A long-standing organization has been faced with the increasing challenge of obtaining funding to maintain its organization’s infrastructure. One respondent expressed frustration with the lack of available funds for his organization’s core staff, such as a receptionist and clerical staff. He reported that funding exists for new program services, but the lack of funds for on-going administration of the organization effects the total organization and all of its programs. Thus, the decrease in funding support staff challenges this organization to keep all projects a float. While this shift in funding may have been intended to thin out administrative bulk, the reality seems to be that nonprofit organizations have little or no administrative ‘fat.’ Thus, making infrastructure funding harder and harder for nonprofits to obtain, means that essential positions must be eliminated. For some organizations, this means that they can’t hire enough support staff to “keep the telephones answered.” One director views this funding challenge as a serious issue for many non-profit organizations.

County Welfare Administrators Are Not at Fault

Several directors pointed well beyond Marion County when discussing the source of the problems with welfare to work policies and programs. No one blamed the local welfare office or their family case managers and IMPACT workers. Several recognized that these welfare workers are also really frustrated. Typical of their comments were the remarks of one neighborhood center director who said, “The Julia Davis’s and Helen Hardin’s ‘get it’ but the bureaucrats aren’t listening to them. If those people were in charge we’d be so much better off. But as it is, we can’t move welfare recipients from point A to point B in the funder’s time frames. These clients are people with huge deficits.” Most social service providers point to legislators and top government officials who advised legislators on welfare reform policy as the ones who are responsible for the grave limitations of welfare to work programs. As one director of a nonprofit organization said, “They’re the ones driving people into poverty and homelessness”.

“Eye” of the Welfare Reform Storm Has Not Arrived

Several directors discussed their belief that the impact of welfare reform has not really struck in full force yet for clients or service providers. As one director commented, moving people off welfare worked at first, because people could go off welfare into jobs. Initially they left “in droves because there were no real reasons for them not working.” Initially, it also didn’t matter

whether recipients received any useful job readiness skills because they had enough skills to get into the workforce. Now, most recipients aren't job ready and therefore, need many expensive interventions. However, most service providers are not funded to provide sufficient services to treat the welfare recipients' barriers to employment, such as inability to read, mental health problems, or drug use. One director stated that her biggest concern is "What's going to happen four years down the road?" She doesn't think the voluntary, not-for-profits are going to be able to do what's expected of them. Many share a major concern about the impact on private and corporate funding sources of the elimination of long-term welfare assistance to needy families. It is widely believed that more funding will be needed from other governmental sources, United Way, foundations, and corporations to subsidize the services needed to support mothers in low-wage jobs, particularly the supervision that children and youth need to grow up well.

C. Variables Linked with Successful Adaptation of Social Service Organizations to Welfare Reform: Conclusions and Ideas for Strengthening Welfare Reform

Organizations throughout Marion County have responded to the welfare reform legislation and have been actively engaged in the implementation of numerous programs and services to support the transition of welfare recipients into the workforce. A few new organizations began operating in Marion County in the last few years. Many established organizations with various missions have augmented their programs and services to include services that are targeted toward assisting people on welfare become employed. While much has been undertaken, much remains to be done if those who have been dependent on welfare are to become self-sufficient.

Win-Win Approach Needed

Developing a "Win-Win" approach seems to be the heart of achieving a successful approach to welfare reform. Although several examples of organizational cooperation to deliver welfare to work services were reported, directors of Marion county organizations often mentioned their struggle to collaborate with each other. Thus, one director captured this reality well with his humorous description of "coopetition" among service providers. In the interviews, examples were given of the competition among organizations for funding contracts and participants for their programs. Three primary factors seem to underlie the ongoing tension among service providers: (1) the 70/30 percent funding formula; (2) disincentives to collaboration; (3) splitting welfare reform between the Department of Labor and the Department of HHS.

1. As already discussed, many organizations are finding that there is insufficient funding to provide the services needed by many clients who remain on welfare. Funding may have been adequate in the first year or two when welfare recipients who were pretty much "job ready" could be assisted to move into the workforce fairly easily. Organizations report that welfare recipients can no longer be quickly placed in the workforce, because their barriers to employment are significant. Thus, more funding is needed to provide the necessary assistance to the remaining caseload of "difficult to place" recipients. When adequate funding becomes available to support the level of services needed by these clients with

considerable need, competition among organizations for the “easy to serve” client will decline because organizations will not incur financial losses from trying to meet the needs of difficult clients with funding that was designed for recipients with few barriers to employment.

Furthermore, welfare to work funding must become accessible. As previously discussed, the funding formula seems to have resulted in very few recipients actually being able to meet the requirements for participation in welfare to work programs that receive 70% of the welfare reform funding. This contributes to organizational competition as they struggle to obtain the occasional welfare client who meets the requirements to participate in their organization’s program. This funding formula also seems to result in corrupt contracts, because organizations will be paid only if they deliver services to those welfare recipients who meet the federal requirements to participate. Thus, if an organization cannot find enough eligible clients to meet the terms of their contract, the organization will not collect all of the funding that was awarded in the contract. Organizations reported that this creates havoc with organizational planning, because their staff must be paid throughout the contract year, regardless of whether the organization actually collects all of its funding by the end of the contract.

2. While adequate funding for the level of services needed by welfare recipients who have many employment barriers constitutes the main obstacle to a “win-win” approach, there are some disincentives to collaboration that appear to be inherent to the welfare reform initiative. The group that seems to be primarily affected by the elimination of welfare recipients are those civil servants who hold DFC positions in the TANF and IMPACT programs. It seems reasonable that those who fear losing their jobs because recipients are entering the workforce have good reason to refrain from collaborating with organizations that seek to assist the recipients to enter the workforce. Directors of several Marion County organizations seemed to understand this deterrent and recognized the need to address the continuing employment of these DFC workers so that there could develop better cooperation in getting welfare recipients certified for the employment programs that various agencies offer. Thus, it seems prudent to take steps to provide access to other positions, including training, for those DFC workers whose work as ADC caseworkers will be phased out.
3. To insure a strong climate for collaboration in Marion County, several directors pointed to the need for clear cooperation between the Department of Labor and the Department of Health and Human Services. HHS has long administered welfare, but welfare to work initiatives are under the direction of the Labor Department. Based on the experiences of several organizations, there seems to be a clear need for HHS and Labor to develop an integrated approach to the implementation of welfare reform.

Use Rehabilitation Model or Immigrant Resettlement Approach for WTW

To achieve a strong effective approach to moving welfare recipients into the workforce, welfare to work initiatives would do well to emulate the Vocational Rehabilitation model or incorporate the strategies employed by organizations that offer immigrant resettlement programs.

1. The Vocational Rehabilitation Model – Directors of Marion County Vocational Rehabilitation offices reported that their staff “does whatever it takes to help clients prepare for the career they desire.” One of the VR directors contrasted the VR focus on preparing for a *vocation* with the IMPACT emphasis on simply getting welfare clients into a job. VR counselors regularly partner with “job coaches” from organizations, such as Goodwill Industries, to provide the necessary support to insure the success of their clients in the workforce. Job Coaches work closely with VR clients on the job to assist them in learning to perform the work to the employer’s satisfaction. VR continues to work with the client after they become employed and works with them to develop their careers. Career development, not just a job, is emphasized in VR and is seen as a needed focus in IM PACT. As one VR director said, too many welfare recipients are going into “dead -end jobs that pay barely more than welfare.” VR believes that the best way to move people into the workforce is to take a comprehensive approach to preparing, placing, and maintaining their clients in the workplace. Thus, VR assumes that clients need much more than a job and provides such supports as childcare, transportation, food, utilities, drug rehab, and so forth to insure that their clients can fully participate in their work or training. One VR director pointed out that welfare reform has neglected to provide some of the necessary supportive services, such as family counseling, mental health treatment, or drug rehab, and so recipients can not focus on their jobs or vocational preparation. Furthermore, VR clients participate voluntarily in VR programs even though many VR clients receive disability payments. This contrasts to TANF recipients because there is no requirement that disabled clients “look for work” or participate in a training program in order to maintain their disability benefits.

The rehab model is strengths-based and supportive, not enabling, of the VR client. This model calls out the best in people by developing assets and building capacity. As one respondent said, “VR has the best success by placing people in real jobs in real workplaces and doing what it takes to equip the client to succeed on that job.” Clearly the old VR approach of placing clients in “sheltered workshops” has been replaced. Given the real world success of many VR clients, it would seem wise for welfare reform to consider the Rehabilitation model. Given the multiple barriers to employment of many welfare recipients, would their best chance for workforce success be through an individualized supported employment approach? If each welfare recipient received the intensive job coaching that VR clients receive, would they become productive employees? If each welfare recipient received comprehensive vocational and support services would they obtain good jobs and remain permanently attached to the labor force?

2. Immigrant Resettlement – In Marion County, the Jewish Community Center has helped about 1,000 Russian immigrants get established in the Indianapolis area. Each Russian family has a local family sponsor and together with the JCC they provide the family with the necessary support for the Russian family's needs during the first four months following their arrival in Indianapolis. This support includes housing, food, transportation, and job assistance to aid the family achieve self-sufficiency. Because one social service director that works with immigrant families reported that most of these immigrant families do well, it suggests that the approach taken to Immigrant Resettlement might be useful for "resettling" welfare families in the workforce. What if there was a family sponsor matched with each of the families that are still receiving welfare? How well would such sponsors be able to provide the support families need to succeed in the workforce? Would these sponsors assist parents to get jobs that provide good wages and benefits rather than entry-level jobs that pay only the minimum wage? Would sponsors not only help welfare recipients enter the workforce, but also help them to achieve self-sufficiency?

Rationale for an Intensive, Comprehensive Welfare to Work Approach

Who benefits when welfare recipients go to work?

- ?? Taxpayers
- ?? Welfare recipients
- ?? Employers

Taxpayers - It is widely believed that the primary motivation behind welfare reform was to "get people off the dole." Thus, all taxpayers benefit from the reduction in the costs of supporting families with AFDC payments.

Welfare Recipients - Many directors spoke about the significant benefits achieved by those who have been dependent on welfare that far exceed the income that is derived from working. According to surveys conducted by America Works, clients reported the number one benefit of work is their "children are proud of them" and the second benefit is "self-esteem." Money is ranked third.

Employers - Many directors also pointed out the benefits to employers of the welfare to work initiative. One director of a youth organization quipped, "It's a guaranteed employment program for Burger King." Others pointed out that many employers benefit from having a pool of people who need work, particularly in a strong economy. Several directors reported that employers often don't care about the tax incentives, because their need for workers is so great that they simply want to hire people.

Parallels with the Food Stamp Program - Given the considerable benefits from supporting welfare recipients to move into the workforce, perhaps the cost of an intensive, comprehensive welfare to work program is comparable to the Food Stamp program that replaced the Food Commodities program during the 1960s. While many people think of the Food Stamp program

as benefiting poor people, it was originally designed to aid farmers dispose of surplus crops. This parallels the employer benefits of moving welfare recipients into the workforce. There are other similarities between the Food Stamp program and WTW programs. Food Stamps was the joint offspring of the Departments of Agriculture and HEW (HHS) and welfare to work programs have their administration split between the Departments of HHS and Labor. Another commonality was the initial difficulty in setting up the Food Stamp program in counties across the country. Because the Food Stamp program replaced the Food Commodity program, there was often resistance to this change from the employees who staffed the Food Commodity program. Employee resistance was often couched in terms that 'food stamps would be bad for those who have been receiving food commodities.' However, their real fear was for themselves and their pending job losses because Food Stamp programs were to be administered by civil servants unlike the patronage positions in the Food Commodity programs.

It is hard to imagine that anyone now would believe that the old Food Commodity program would have been better than the Food Stamp program. Perhaps there are some lessons that could be learned from the transition to the Food Stamp program. One of the most important messages seems to be that many can benefit from comprehensive welfare to work initiatives, just as both farmers and poor people have benefited from the Food Stamp program.

Directors' Final Plea: Remember Self-Sufficiency is the Goal of Welfare to Work

This case study closes by acknowledging the chorus of directors' voices that strongly expressed concern with the "work first" philosophy of welfare reform. Marion County directors fear that this philosophy has obscured the goal of self-sufficiency for families that have depended on welfare. Thus, many directors were concerned that this philosophy leads to success being measured by a job, any job, or worse by the reduction of the TANF caseload, regardless of whether the former recipient becomes employed.

Directors want welfare reform success to be measured by the adequacy of the family's income to meet their needs. Then attention will be given to insuring that people obtain jobs with good income and benefits. Many directors voiced doubt that welfare reform policy-makers understood the wages that would be needed to achieve family self-sufficiency. Thus, some directors show the level of income needed to achieve self-sufficiency cited data from the Indianapolis Economic Development Corporation (IEDC). Directors for housing and employment agencies reported that a family of three needs \$26,000 per year to achieve a minimal level of self-sufficiency. With that income a family is eligible for a low-income home mortgage in the amount of \$55,000 with the help of the Indianapolis Neighborhood Housing Partnership (INHP). One director points out that this income requirement prevents access to home ownership for most families who are leaving welfare. She sees this as a limitation to welfare reform legislation because welfare reform does not provide any housing assistance as they make the transition into the workforce. She believes that most families leaving welfare for minimum wage jobs need housing subsidies along with childcare and transportation assistance if self-sufficiency is to be within their grasp.

Directors doubt that policymakers have considered the data on the availability of jobs that pay a minimum of \$26,000 per year. According to IEDC data only 20 percent of Indiana's jobs pay \$26,000 or more per year. As one director pointed out, implicit in welfare to work policy is the expectation that those with the least education and poorest job skills will be the ones getting the top 20 percent of Indiana's jobs. The alternative means to increasing one's earnings is to work 2-3 minimum wage jobs. Several directors discussed the efforts that many parents are making to work two low-wage jobs and the tremendous needs such families have for help "raising their children".

The directors' message seems clear: Welfare reform policies must be expanded to include greater sustained support and subsidies to enable families to make the transition from welfare to self-sufficiency, not just work. Such policy change is needed to counteract the bleak future for TANF recipients. One respondent reported that clients are in worse shape after their welfare ends than they have ever been. These families have no quality of life and no time to spend with their children. She reports, "We're raising their children. Without welfare, the reality is these mothers have \$6 per hour jobs, no health insurance, 2.5 children, and a 1989 Ford Escort."