

RAND **Statewide**
 **CalWORKs**
Evaluation

An Overview

Jacob A. Klerman

Elaine Reardon

Paul S. Steinberg

The research described in this report was prepared for the California Department of Social Services under Contract No. H38030.

ISBN: 0-8330-2686-0

The RAND documented briefing series is a mechanism for timely, easy-to-read reporting of research that has been briefed to the client and possibly to other audiences. Although documented briefings have been formally reviewed, they are not expected to be comprehensive or definitive. In many cases, they represent interim work.

RAND is a nonprofit institution that helps improve policy and decisionmaking through research and analysis. RAND® is a registered trademark. RAND's publications do not necessarily reflect the opinions or policies of its research sponsors.

© Copyright 1998 RAND

All rights reserved. No part of this book may be reproduced in any form by any electronic or mechanical means (including photocopying, recording, or information storage and retrieval) without permission in writing from RAND.

Published 1998 by RAND
1700 Main Street, P.O. Box 2138, Santa Monica, CA 90407-2138
1333 H St., N.W., Washington, D.C. 20005-4707

RAND URL: <http://www.rand.org/>

To order RAND documents or to obtain additional information, contact Distribution Services: Telephone: (310) 451-7002; Fax: (310) 451-6915; Internet: order@rand.org

Preface

In response to national welfare reform legislation—the Personal Responsibility and Work Opportunity Act, which was signed in August 1996 and which went into effect in July 1997—California passed legislation that replaced the existing Aid to Families with Dependent Children and Greater Avenues to Independence (GAIN) programs with the California Work Opportunity and Responsibility to Kids (CalWORKs) program on August 11, 1997. The provisions of the legislation became effective in January 1998. Following an open and competitive bidding process, the California Department of Social Services (CDSS), which administers CalWORKs, awarded a contract to RAND to conduct a statewide evaluation of the CalWORKs program.

This Documented Briefing presents an overview of the RAND plan for the evaluation of CalWORKs. The overview begins with a description of how RAND will organize the evaluation, followed by a discussion of the questions to be addressed in the evaluation and the methods used to do so. For more information about the evaluation, see: <http://www.rand.org/CalWORKs> or contact:

Jacob Alex Klerman
RAND
1700 Main Street
Santa Monica, CA 90407-2138
P.O. Box 2138

(310) 393-0411 x6289
klerman@rand.org

Aris St. James
CDSS
744 P Street, MS 12-56
Sacramento, CA 98514

(916) 657-1959
astjames@dss.ca.gov

Acknowledgments

This Documented Briefing reports the combined efforts of the RAND CalWORKs team, including the co-principal investigators, Gail Zellman and V. Joseph Hotz, and the other senior staff members, Nicole Humphrey, Guido Imbens, Cathy Stasz, and Patricia Ebener. Constructive feedback from Lois VanBeers and Aris St. James greatly improved the final product. Lynn Karoly provided a constructive RAND review. Patrice Lester did an outstanding job preparing the slides and then the annotations. Betty Amo expedited the publications process.

Glossary

| | |
|----------|---|
| AFDC | Aid to Families with Dependent Children |
| CalWORKs | California Work Opportunity and Responsibility to Kids |
| CDSS | California Department of Social Services |
| CPS | Current Population Survey |
| EDD | Employment Development Department |
| GAIN | Greater Avenues to Independence |
| MEDS | Medi-Cal Eligibility Determination System |
| NICHD | National Institute of Child Health and Human Development |
| PI | Principal Investigator |
| PRWORA | Personal Responsibility and Work Opportunity Act |
| Q5 | Quality Assurance Data |
| RFP | Request for Proposal |
| SSA | Social Security Administration |
| SSI | Supplementary Security Income |
| TANF | Temporary Assistance to Needy Families |

**RAND's CalWORKs Evaluation:
An Overview**

CalWORKs Evaluation September 24, 1998 (1) **RAND**

In this briefing, we provide an overview of RAND's plan for the evaluation of the California Work Opportunity and Responsibility to Kids (CalWORKs) program.

| Welfare Reform: From AFDC to TANF/CalWORKs | | |
|---|---|--|
| | Federal | California |
| Legislation | Personal Responsibility and Work Opportunity Act (PRWORA) | Thompson-Maddy-Ducheny-Ashburn Welfare-to-Work Act |
| Date Signed | August 22, 1996 | August 11, 1997 |
| Date Effective | July 1, 1997 | January 1, 1998 |
| Program | Replaced Aid to Families with Dependent Children (AFDC) with Temporary Assistance to Needy Families (TANF) | Replaced AFDC and Greater Avenues to Independence (GAIN) with California Work Opportunity and Responsibility to Kids program (CalWORKs) |
| Level of Devolution | Washington to the states | Sacramento to the counties |

CalWORKs Evaluation September 24, 1998 (2) **RAND**

The CalWORKs program in California is part of a national reform of welfare programs. At the federal level (on the left side of the above chart), the Personal Responsibility and Work Opportunity Act (PRWORA), which was signed in August 1996, embodied President Clinton’s vow to “end welfare as we know it.” PRWORA went into effect in July 1997, replacing the previous welfare program—Aid to Families with Dependent Children (AFDC)—with a new program—Temporary Assistance to Needy Families (TANF). As the word “temporary” in TANF implies, the intent of the federal legislation was to replace AFDC’s entitlement to cash assistance for as long as a household had young children with a lifetime limit on the receipt of cash assistance.

The legislation also revised the federal–state relationship. The basic structure of the AFDC program had been set at the federal level. Beyond the level of payments, states had relatively little discretion in designing their welfare programs. In contrast, PRWORA gives states wide latitude in designing their TANF programs.

California’s response, shown on the right side of the chart, was the Thompson-Maddy-Ducheny-Ashburn Welfare to Work Act, which was signed August 1997 and became effective in January 1998. This legislation replaced the existing AFDC and the Greater Avenues to Independence (GAIN) programs with CalWORKs. And just as Washington devolved much responsibility to the states, Sacramento devolved much responsibility to the 58 counties, making them

largely responsible for implementing CalWORKs. Although the state did set parameters and require that all county CalWORKs implementation plans be sent to the state for approval, there is a great deal of variation by county in how CalWORKs is being implemented. As we discuss later, this county-to-county variation has important implications for designing our evaluation.

CalWORKs Legislation Required an Independent Evaluation

- **August 11, 1997: CalWORKs legislation required a “comprehensive, independent, statewide evaluation”**
- **May 1, 1998: CDSS issued an RFP for a five-component evaluation:**
 1. **State-Level Process Study**
 2. **County-Level Process Study**
 3. **All-County Implementation Survey**
 4. **Statewide Impact and Cost-Benefit Study**
 5. **County-Level Impact and Cost-Benefit Study**
- **July 8, 1998: After open, competitive, bidding process, CDSS announced “Notice of intent to award” to RAND**
- **September 1998: Contract signed**

In addition to restructuring welfare in California, the legislation required that the state agency in charge of welfare—the California Department of Social Services (CDSS)—conduct an independent evaluation. As specified in its Request for Proposal (RFP), CDSS envisioned a five-component study: a study of the implementation of CalWORKs at the state level, a study of the implementation of CalWORKs in six focus counties, a survey of all 58 county welfare directors about the implementation of CalWORKs in their counties, a study of the impact of CalWORKs in the state as a whole, and a study of the impact of CalWORKs in the same six focus counties.

Following an open and competitive bidding process, CDSS announced, in July 1998, a notice of intent to award the evaluation contract to RAND, with the contract officially signed in September 1998.

An Overview of RAND



**RAND's main offices,
Santa Monica, California**

- **Private, nonprofit, California corporation chartered to “improve policy and decision making through research and analysis”**
- **RAND's strengths:**
 - **Nonpartisan, objective**
 - **Multidisciplinary approach**
 - **Highest technical standards**
 - **Practical guidance to policymakers**
 - **Wide dissemination of research findings**

CalWORKs Evaluation September 24, 1998 (4) **RAND**

Before describing how RAND will implement its evaluation of CalWORKs, we briefly discuss RAND and the strengths it brings to the project. RAND is a private nonprofit California corporation founded in 1948 and chartered to “improve policy and decisionmaking through research and analysis.”

RAND prides itself on its reputation as a nonpartisan and objective evaluator of public policy. In addition, RAND brings together staff from many different disciplines—e.g., economics, sociology, psychology—to work on projects; such a multidisciplinary approach ensures that problems are examined from all appropriate dimensions. Moreover, RAND staff adhere to the highest technical standards in conducting research, with all public documents undergoing a stringent technical review process.

Although the CalWORKs evaluation clearly requires RAND's technical research skills, the project will also benefit from RAND's tradition of translating research findings into practical guidance to policymakers, while simultaneously ensuring that the findings are disseminated through widely available publications and through posting on RAND's Web site.

| Other RAND Efforts Relevant to the CalWORKs Evaluation | | |
|--|--|---------------------------|
| Project | Sponsor | Staff in Common |
| Evaluation of Childhood SSI reforms | SSA | Karoly, Klerman |
| Evaluation of workers' compensation system | California Commission on Health and Safety and Workers' Compensation | Reville |
| Technical assistance to California counties on welfare reform issues | Irvine Foundation | Dertouzos, Ebener, Strong |
| Effects of early childhood intervention programs | California Wellness Foundation | Karoly |
| Los Angeles Survey of Families and Communities | NICHHD | Pebley, Reville |
| Population Matters | Consortium of foundations | Pebley, Klerman |

CalWORKs Evaluation September 24, 1998 (8) **RAND**

The CalWORKs evaluation complements work being conducted in several other RAND research efforts. For example, under contract from the federal Social Security Administration (SSA), RAND is evaluating the impact of the 1996 PRWORA changes in Supplementary Security Income (SSI) for disabled children. With funding from the California Commission on Health and Safety and Workers' Compensation, RAND has recently completed one evaluation of the state's workers' compensation system and a follow-on study is under way. Funded by the Irvine Foundation, RAND has also been providing research and technical assistance in support of welfare reform planning to California counties. In the field of child development and well-being, RAND has recently completed a review of the effects of early childhood intervention programs. With funding from the National Institute of Child Health and Human Development (NICHD), RAND is also designing the Los Angeles Survey of Families and Communities, which serves as a model for the household survey planned for our CalWORKs evaluation. Finally, with funding from a consortium of foundations, *Population Matters* disseminates to a policy audience the results of academic research on a wide range of demographic topics such as migration, fertility, and population aging.

As the right side of the chart shows, these related projects often involve some of the same people who will be conducting the CalWORKs evaluation. The CalWORKs evaluations will benefit from the experience and knowledge gained in these related efforts.

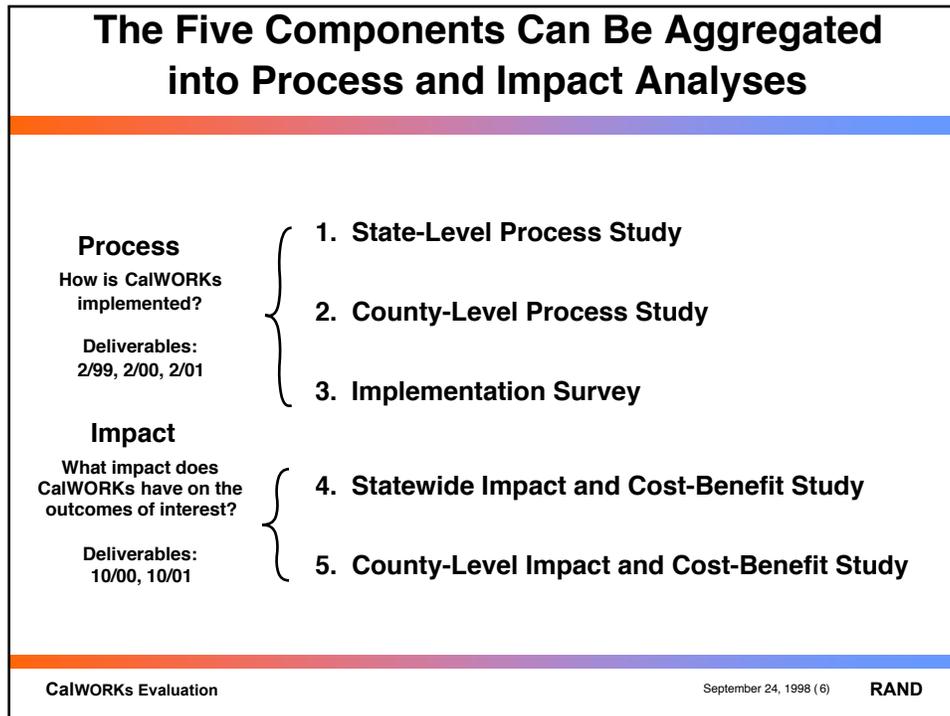
RAND's Approach to Evaluating CalWORKs

- How RAND will organize the evaluation**

- How RAND will conduct the evaluation**

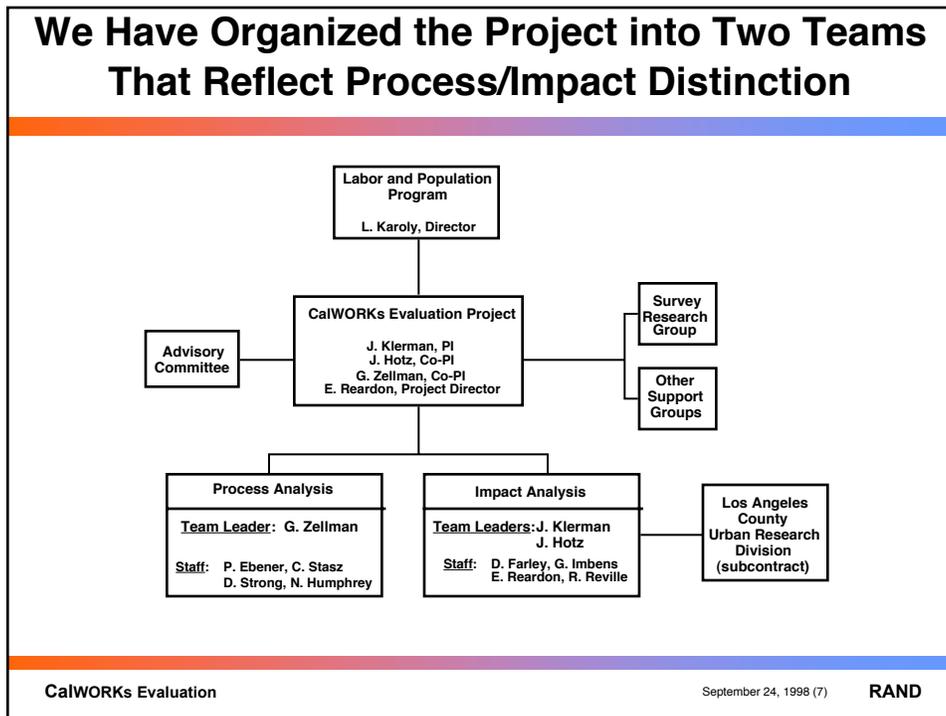
CalWORKs Evaluation September 24, 1998 (1) **RAND**

The balance of this briefing presents our approach to the evaluation. We begin by discussing how we will organize the evaluation. We then discuss how we will conduct the evaluation.



We find it useful to discuss the RFP’s five components (mentioned earlier) in two groups: process and impact. The first three components shown on the chart are process studies designed to determine how CalWORKs is being implemented in the state and in the 58 counties. These components each have three reports scheduled—the first one will be delivered in February 1999; the subsequent two reports will appear annually (in 2000 and 2001).

The last two components are impact studies, which are designed to determine the impacts, costs, and benefits of the CalWORKs program. The first impact report is due in October 2000, with a second and final report a year later.



Consistent with the division of the components into process and impact parts of the project, RAND has organized the project into two teams. In general terms, the project will be housed within RAND's Labor and Population program, under the direction of Lynn Karoly. The evaluation project itself will be led by Jacob Klerman, with Joseph Hotz and Gail Zellman serving as co-principal investigators. Elaine Reardon will serve as project director.

Zellman will also serve as the process analysis team leader, with research support from Patricia Ebener, Cathy Stasz, Debra Strong, and Nicole Humphrey. Hotz and Klerman will also serve as the impact analysis co-team leaders, with research support from Donna Farley, Guido Imbens, Elaine Reardon, and Robert Reville. The impact analysis will be supported by a subcontract to the Los Angeles County Urban Research Division, which is familiar with many of the datasets we will use in the evaluation. The evaluation project staff will also consult with an advisory committee composed of representatives from state agencies, CDSS, and other agencies, as well as academics familiar with the technical issues surrounding policy evaluation research.

Finally, RAND supports its researchers with a highly qualified and experienced staff for assembling, processing, handling, and publishing data and information. The Survey Research Group, which will help design and field the surveys, is responsible for directing RAND's survey research activities and is composed of policy analysts and survey research professionals who share a special interest and expertise in applying survey methods to public policy research.

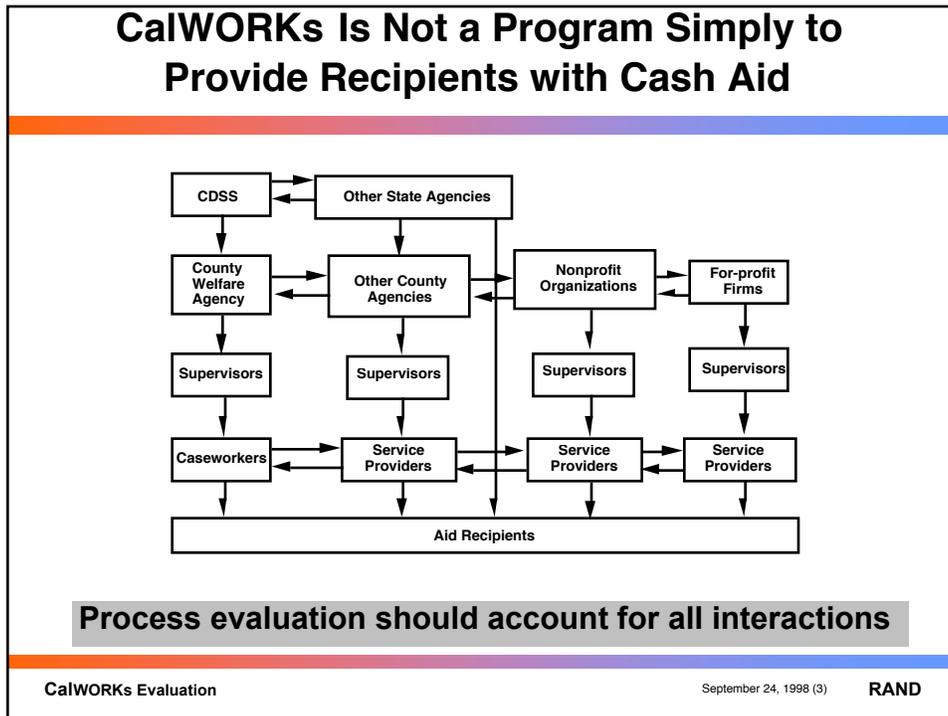
The Communications Consulting Group assists the research and management staff in making all forms of RAND communications more effective for a variety of audiences. The Publications Department will support the research effort with editing, graphics, production, and printing services.

RAND's Approach to Evaluating CalWORKs

- **How RAND will organize the evaluation**
- **How RAND will conduct the evaluation**
 - **Process Analysis**
 - **Impact Analysis**

CalWORKs Evaluation September 24, 1998 (2) **RAND**

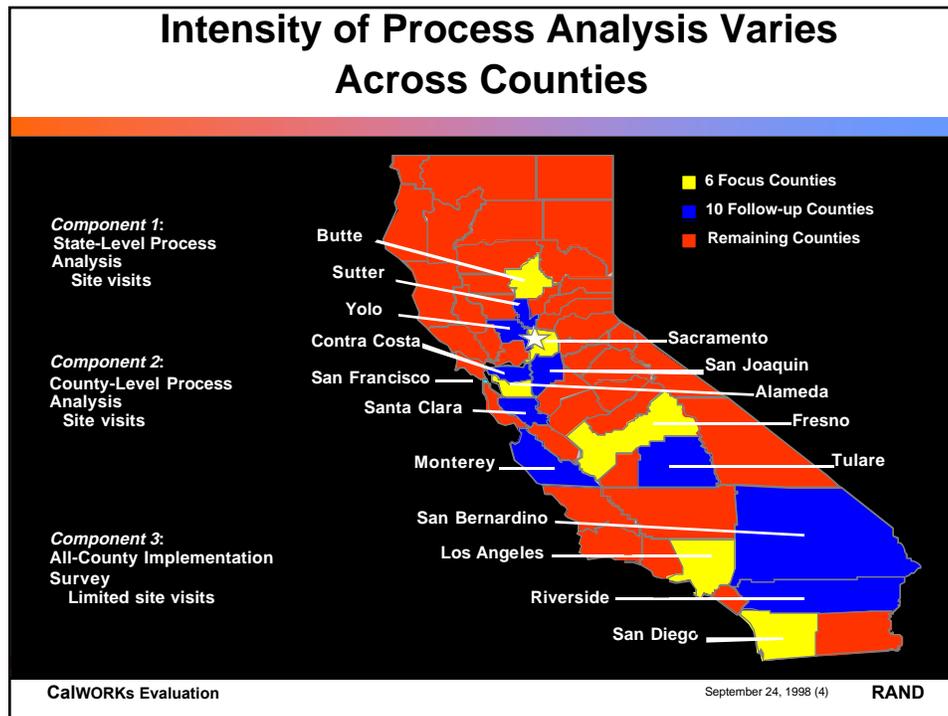
In the remainder of the briefing we will describe how RAND will conduct the CalWORKs evaluation, starting with the process analysis and then turning to the impact analysis.



Our approach to the process analysis is guided by the model of CalWORKs shown above. CalWORKs is not a program that just provides cash assistance to recipients. Rather, it provides a range of services that are designed to quickly move people permanently into the workforce and self-sufficiency. These services are provided not only by welfare agencies, but also by other governmental agencies, nonprofit organizations, and for-profit firms. Our process analysis will consider these different forms of service provision and in particular the interaction between the various agencies, organizations, and firms involved as they formally or informally coordinate services and payments.

The process analysis must take into account how CalWORKs has changed interorganizational relationships; it must also, however, examine how CalWORKs is implemented within organizations. Whereas policy may be set at the higher levels of an organization, it is implemented through the day-to-day activities of supervisors, caseworkers, and service providers who are in contact with aid recipients. Our analysis will focus primarily on the effect of CalWORKs within CDSS and county welfare agencies and their field offices, but where possible we will study the changes in other governmental agencies, nonprofit organizations, and for-profit firms.

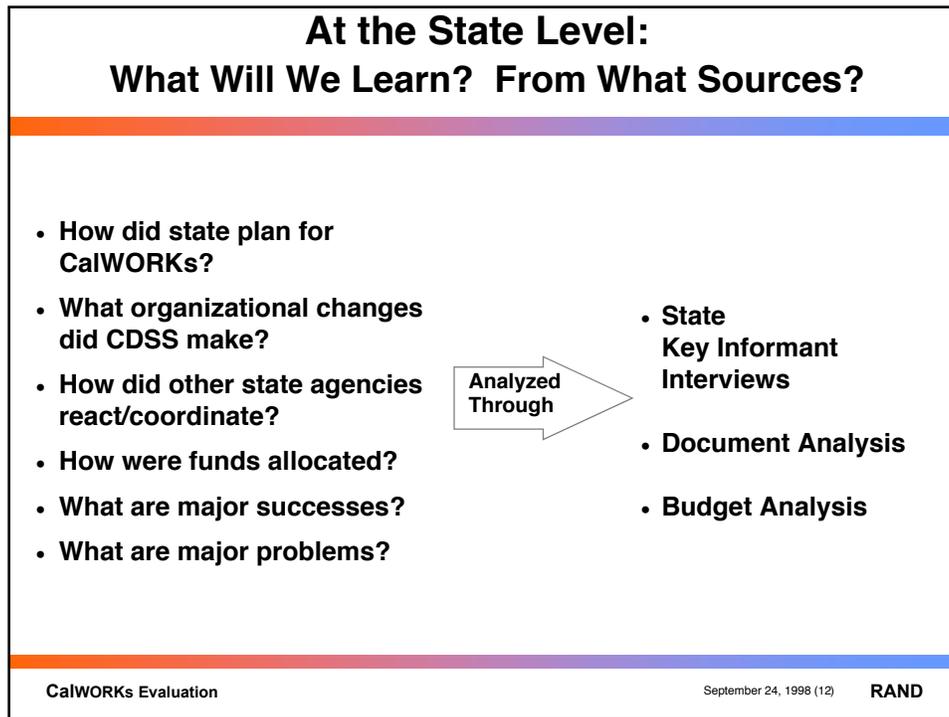
In short, the arrows on the chart show the many different interactions between agencies and within agencies that the process analysis will study to track the implementation of CalWORKs.



The intensity of the process analysis varies across levels of government and across the counties. RAND will conduct an All-County Implementation Survey. This mail survey will attempt to collect some information on the implementation of CalWORKs in every county. The first round of the survey, in the fall of 1998, will be answered by only the county welfare directors. In future years, surveys will be sent to other agencies and service providers.

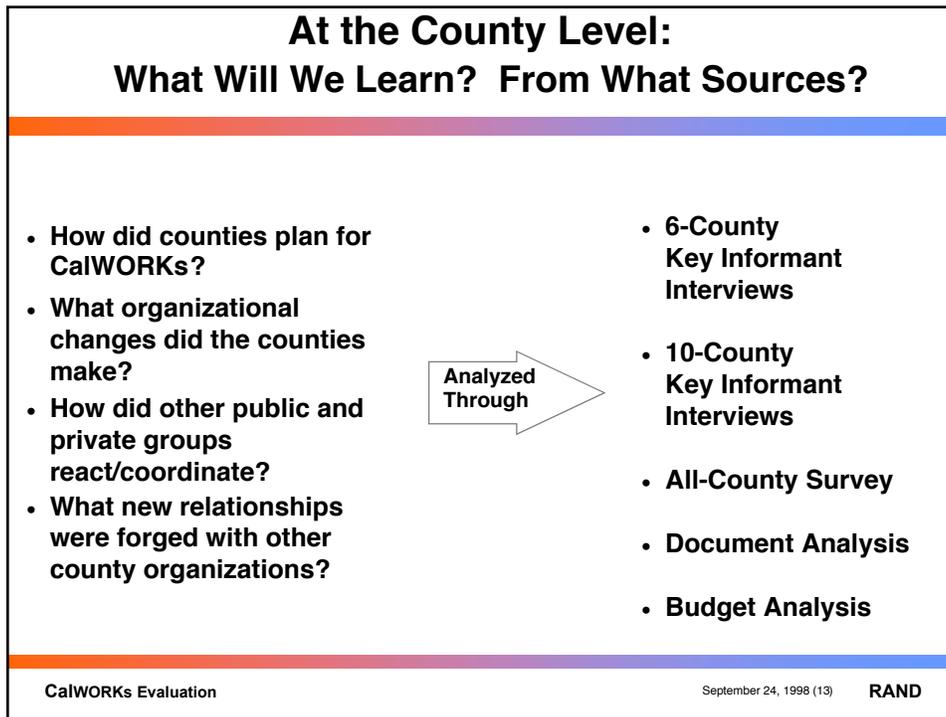
The RFP also required study of ten counties (referred to as the ten Follow-up Counties, shown with a dotted pattern) to supplement the All-County Implementation Survey. We have tentatively selected the indicated ten counties—San Francisco, Sutter, Yolo, Contra Costa, Santa Clara, Monterey, San Joaquin, Tulare, San Bernardino, and Riverside. We will finalize our selection of the Follow-up Counties in the spring of 1999, after reviewing the results of the first round of process tasks and in consultation with CDSS.

Finally, we will evaluate the process of CalWORKs implementation at the state level. The RFP also required in-depth studies in six specified focus counties: Sacramento, Alameda, Butte, Fresno, Los Angeles, and San Diego (referred to as the six Focus Counties and highlighted with diagonal stripes on the chart). These six counties were chosen by CDSS to ensure that the in-depth analysis would cover the various geographic regions of the state as well as reflect both urban and rural considerations in implementing CalWORKs.



We now turn to the substantive questions to be addressed (on the left side of the charts) and the methods we will use to address them (on the right side of the charts). In the state government, the process analysis will begin by determining how the state planned for CalWORKs and how it responded to developments as the implementation unfolded. The team will also study what kinds of organizational changes CDSS made, as well as how other state agencies responded to CDSS actions. In part, we are going to track these responses to the legislation by looking at how funds were allocated. Finally, the team will identify what CDSS and other state agencies consider the major successes of the reform and what they think the major problems were.

As shown on the right side of the chart, the team will address these questions through a number of sources and techniques. We will interview key state informants at CDSS, and in other state agencies. We will also interview other state-level stakeholders in the provision of social services to low-income families. Finally, we will analyze internal reports and other written materials and examine budget and financial data.



The process analysis team will conduct similar analyses at the county level. These county-level analyses will explore how the counties responded to their mandate from the state. For example, some counties are particularly interested in a “work-first” approach, while others are relatively more committed to an “education and building human capital” approach. Some counties are intensively privatizing.

In addition, the team will study the organizational changes the counties made to implement CalWORKs. This research question includes not only how the counties’ welfare agencies changed, but how other public and private groups reacted to these changes. CalWORKs is envisioned as an integrated service program, and we will study the interaction of the county welfare office with other government agencies and private groups through formal means (for example, interagency boards, contract provisions, standard operating procedures) as well as more informal ones at the county level.

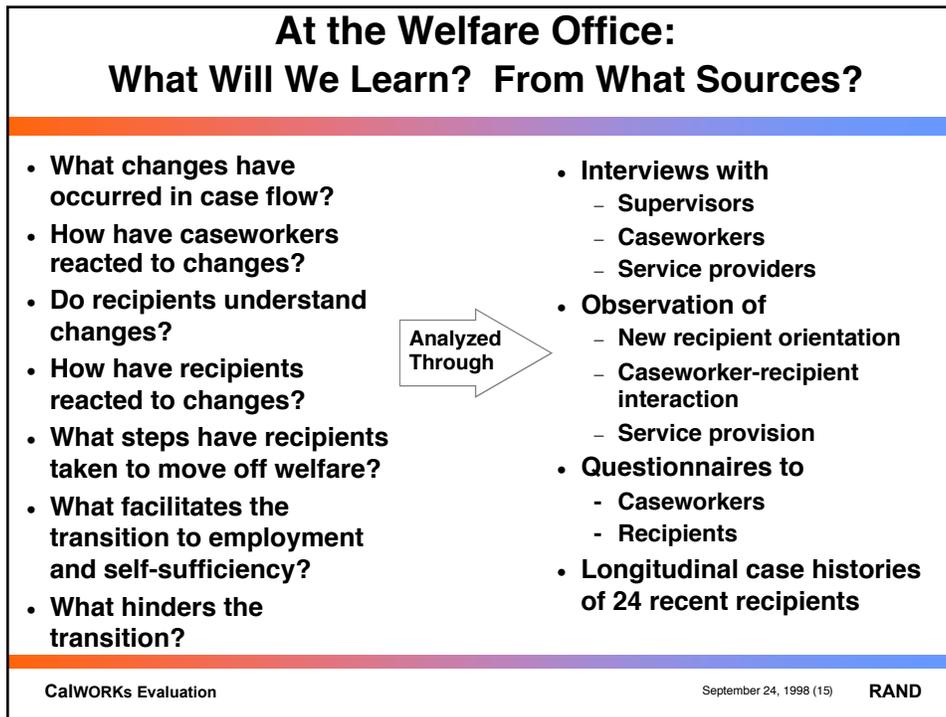
To answer these questions at the county level, the analysis will rely on interviews in the six Focus Counties discussed earlier, somewhat less intensive interviews in the ten Follow-up Counties, and the All-County Survey. Finally, as was true at the state level, the team will analyze written documents in addition to budget information.

**At the County Level:
What Will We Learn? From What Sources?**

| | | |
|---|---|--|
| <ul style="list-style-type: none">• How were the new rules and goals enforced?• What staffing changes were made?• What additional training was provided?• How were funds allocated?• What were major successes?• What were major problems? |  | <ul style="list-style-type: none">• 6-County Key Informant Interviews• 10-County Key Informant Interviews• All-County Survey• Document Analysis• Budget Analysis |
|---|---|--|

CalWORKs Evaluation September 24, 1998 (14) **RAND**

Other questions to be addressed at the county level include How are the new rules and goals enforced? How is information provided to caseworkers and recipients? How are the different time limits and the other requirements tracked and enforced? What staffing changes were made? What additional training was provided? How were funds allocated? What were the major successes and major problems faced by the counties? These questions will be answered using the same data sources as on the previous slide: by interviewing stakeholders both public and private, as well as by analyzing documents and studying the flow of funds.



As noted earlier, policymakers may formulate policies, but much of the implementation occurs during the day-to-day activities in welfare offices, where recipients interact with the system. We will study these day-to-day activities intensively in the six Focus Counties and less intensively in the ten Follow-up Counties. At this level, the analysis will focus on a number of general issues for caseworkers, such as: What changes have occurred in the case flow? How have caseworkers reacted to those changes? How well do they feel the recipients understand these changes?

The analysis will also explore how recipients see these changes affecting their lives. The team will ask recipients about steps they have taken to move off welfare, about their use of support services that are being provided, and about their reactions to time limits.

Team members will also explore what facilitates the transition from welfare to self-sufficiency and what hinders that transition. For example, are there services that should be provided that are not, services that should be provided better, or services that need not be provided at all?

Team members will answer these questions through a number of different strategies. The first involves interviews with supervisors, caseworkers, and service providers. Another strategy will involve on-site observation of caseworker-recipient and service provider-recipient interaction. Team members will also observe new recipient orientations at the welfare offices.

The team will distribute questionnaires to caseworkers and recipients in welfare offices. From these questionnaires, the team will learn more about caseworker and recipient perspectives on how the system has changed under CalWORKs and what they see as working or not working.

Finally, team members will conduct quarterly longitudinal case-study interviews with 24 recent recipients. The interviews will seek life-history information to add contextual depth to what we learn from other sources about recipients and to guide our analyses.

RAND's Approach to Evaluating CalWORKs

- **How RAND will organize the evaluation**
- **How RAND will conduct the evaluation**
 - **Process Analysis**
 - **Impact Analysis**

CalWORKs EvaluationSeptember 24, 1998 (5)RAND

We now turn to how we will conduct the impact analysis of the CalWORKs program.

Evaluation Requires an Analysis of Impacts and Costs

- **Impacts on:**
 - **Current welfare recipients**
 - **Former recipients after they leave welfare**
 - **Potential future welfare recipients**
- **Costs at county, state and federal levels**
 - **Direct payments**
 - **Payments to service providers**
 - **Indirect costs and revenues**
 - **Administrative costs**

CalWORKs EvaluationSeptember 24, 1998 (17)RAND

CalWORKs is expected to have an impact on three different groups: (1) people who are currently receiving assistance; (2) people who have received assistance in the past; and (3) people who have not yet entered the aid rolls but are “at risk” to do so. The effects on the third group are indirect, but potentially the most important. The changes in welfare programs (from AFDC to CalWORKs) are intended to send the message to potential recipients that they should make their major life choices—about schooling, childbearing, marriage, and employment—knowing that the welfare system will provide only short-term cash assistance. Understanding the magnitude of effects on such potential recipients will be crucial to evaluating the CalWORKs program.

In addition to these effects on current, recent, and potential future recipients, CalWORKs has effects on government budgets at the county, state, and federal levels. Our analysis will compare the effects of the legislation on current, recent, and potential future recipients with these budgetary effects. Among the costs to be considered are the direct payments that are made to families, payments that are made to service providers (e.g., transportation, child care, and some of the other supplementary services), indirect costs and revenues (e.g., increased income tax payments), and the administrative costs of operating the CalWORKs program in the state and county welfare agencies.

Evaluating the Effect of CalWORKs Will Be Analytically Challenging

- **Description of outcomes is straightforward**
- **However, establishing the “effect” of reforms is more difficult. It requires comparing**
 - **Actual outcomes under CalWORKs, with**
 - **What outcomes would have been under some alternative “baseline”**
- **Demonstration programs could use random assignment; this was not an option for statewide reform**
- **Other changes occurred in California at the same time**

It is relatively straightforward to describe the outcomes we want to measure and the relevant costs and benefits associated with them. Establishing the *net* effect of the reform is, however, much more difficult. To establish net effects we need to project what outcomes *would have been* in the absence of CalWORKs. How much of the change in the caseload, for example, can be attributed to the CalWORKs reform as opposed to some other causal factor, such as the recent economic growth?

One approach would be random assignment, which is often used in evaluating demonstration programs. With random assignment, one group is randomly assigned to the new program (the “treatment” group) while another group is randomly assigned to the baseline program (the “control group”). Then, outcomes for the two groups are compared. The difference is attributed to the program (compared to the baseline). Randomization assures that except for the program, the two groups are identical, so that the difference in outcomes is in fact due to the program and not to differences in the participants.

Randomization, however, is not an option for evaluating CalWORKs. CalWORKs is trying to change the expectations of potential recipients with respect to the welfare system and their life choices. Under randomization, people might expect to be assigned to the old program and thus not change their behavior. Moreover, CalWORKs is a dramatic restructuring of the welfare system affecting not only recipients but also caseworkers, other government employees, and various service providers. It is intended to “end welfare as we

know it.” Randomization, in contrast, would require that the control group continue to receive the same services from the same system that existed prior to CalWORKs.

Thus, to capture the effects of the CalWORKs, some nonexperimental approach (i.e., one not using randomization) must be used. We must instead employ statistical approaches to predict what outcomes would have been under some alternative (or baseline) policy regime. The complication is in separating what is truly the effect of CalWORKs from other changes occurring at the same time. These changes include both other governmental reforms, such as the changes to the child care regulations, and broader changes, such as local economic growth or migration-induced population shifts.

The CalWORKs Evaluation Must Adopt Nonexperimental Research Methods

- **As a result, we need to control for confounders:**
 - **Economic conditions**
 - **Other policy changes**
 - **Persistent geographic differences**
 - **Pure time variation**
- **We will attempt to do so using:**
 - **Regression approaches**
 - **Improved case-control designs**

Such controls are always imperfect, suggesting modesty about our ability to infer CalWORKs' effect

These other non-CalWORKs changes are referred to as “confounders,” because they potentially obscure the true program effect. They include economic conditions such as economic growth or the local industrial composition of employment, other policy changes (e.g., SSI reforms), persistent geographic differences, and changes over time (e.g., in social mores or in the political climate) that occur separately from CalWORKs.

The general analytic strategy of nonexperimental evaluation techniques is to compare CalWORKs outcomes with outcomes observed under other welfare regulations, while controlling for other differences between the two groups. The impact analysis will use two different approaches. The first approach—the standard regression approach—tries to measure the confounders directly to control for their effect on outcomes of interest. The other approach will rely on work by Joseph Hotz and Guido Imbens on improved case-control designs. Program participants are matched with nonparticipants based on multivariate estimates of the likelihood of participation. For example, a participant would be matched with someone who was estimated to have a high probability of participating but did not apply for CalWORKs. The difference in outcomes between the two people would be attributed to the program.

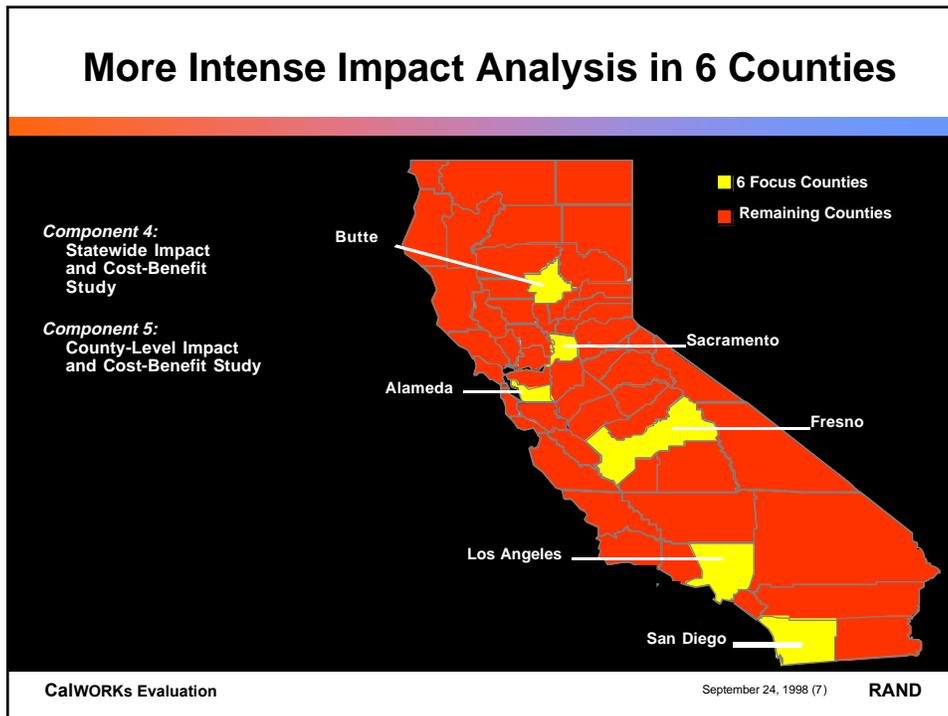
We will use the best available statistical approaches in estimating the effects of CalWORKs. Nevertheless, such approaches are imperfect. Reasonable analysts will disagree about details and these details will often have major effects on estimated impacts. Thus, at the outset we want to be modest about our ability to identify the separate effects of CalWORKs.

| We Will Measure the Impacts Against Three Baselines | | |
|--|--|---|
| Baseline | Value | Data Requirement |
| In California: Outcomes under CalWORKs vs. outcomes under AFDC/GAIN | <ul style="list-style-type: none"> • Valuable in evaluating PRWORA • Less valuable in CalWORKs evaluation since state cannot return to pre-reform conditions | <ul style="list-style-type: none"> • Before/after data for California |
| Under TANF: Outcomes under CalWORKs vs. outcomes under TANF in other states | <ul style="list-style-type: none"> • Valuable in CalWORKs evaluation since state could legislate post-reform approaches of other states | <ul style="list-style-type: none"> • National data |
| Under CalWORKs: Outcomes across California counties | <ul style="list-style-type: none"> • Valuable in CalWORKs evaluation since one county could implement approaches from another county | <ul style="list-style-type: none"> • Detailed data for California counties |

In estimating the effects of CalWORKs, we must specifically identify against what we are comparing outcomes. We will consider three such “baselines.” The first baseline uses adjusted pre-reform and post-reform data for California to compare outcomes under CalWORKs with what outcomes would have been under AFDC/GAIN. The kind of information we glean from this comparison is valuable in evaluating the reform at the federal level (PRWORA). However, it is somewhat less valuable in evaluating CalWORKs. Even if outcomes are much worse under CalWORKs, PRWORA prevents the state from returning to its pre-reform AFDC program.

The second baseline uses adjusted national data to compare outcomes under CalWORKs to outcomes under TANF in other states. This comparison can provide state policymakers with useful information: If outcomes in other states are much better than in California, California could modify its TANF program to more closely resemble those programs of the more successful states. A number of organizations are already performing such evaluations. Such an evaluation (of California outcomes compared to outcomes in other states) would not exploit the rich data on California that are available only as part of this evaluation. Thus, rather than duplicate the efforts of these evaluations, we will primarily review and summarize the studies of others.

The bulk of our efforts will instead be focused on comparing outcomes across California counties—the third baseline. This baseline could provide quite useful information. If one or more counties have particularly positive CalWORKs outcomes, their approach could entirely or partly be adopted by counties with less successful outcomes. This baseline fully exploits the rich California data available for the evaluation and will provide California-specific results.



We will have some outcome data for every county, collected through state databases and our All-County Survey. We will have more detailed data from the six Focus Counties defined earlier: Alameda, Butte, Fresno, Los Angeles, Sacramento, and San Diego. For these counties, we will analyze the county-specific electronic data systems used to record eligibility, payment level, welfare-to-work participation and service provision. These six counties are the same ones in which we will be conducting more intensive site visits; thus, in these Focus Counties, we will have a considerable amount of data with which to evaluate outcomes.

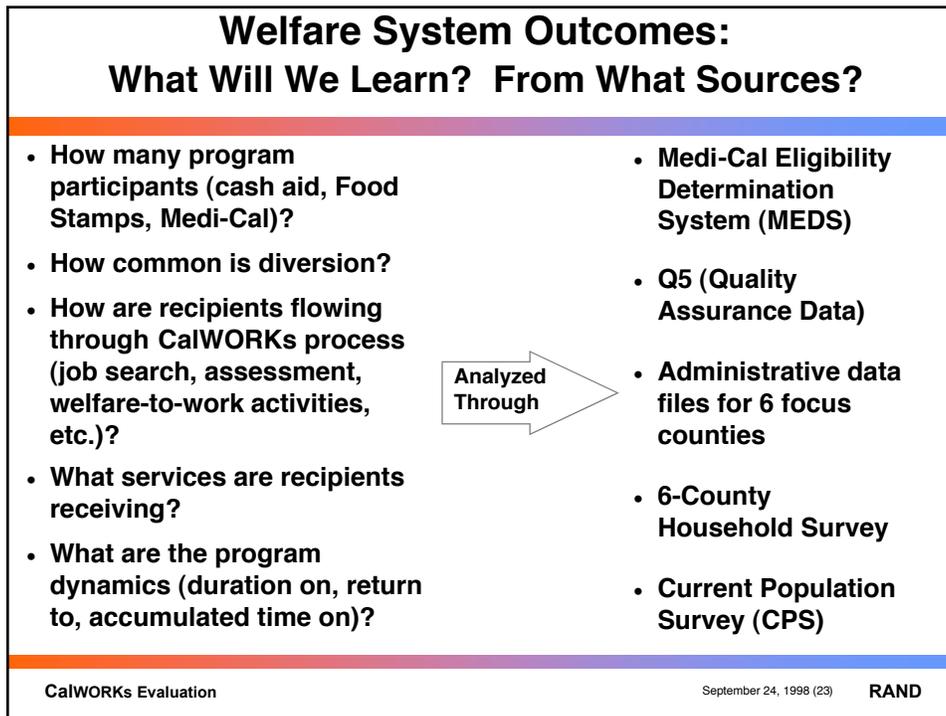
A New Household Survey Effort

- **Funded as part of this evaluation**
- **Two annual interviews, beginning September 1999**
- **425 current or recent welfare recipients in each of the six focus counties**
- **Builds on Los Angeles Survey of Families and Communities**

Some data, however, will not be available in administrative records. Administrative records include only information directly relevant for program administration, and many counties are still in the process of redesigning their data systems to incorporate client information required under CalWORKs but not under AFDC. Furthermore, administrative data include no information on those not participating in programs.

To obtain additional information, we will field a new household survey in the six Focus Counties as part of our CalWORKs evaluation. We will survey approximately 425 current or recent welfare recipients in each of the six counties, interviewing them first in September 1999 and then again a year later. The content of the survey will be similar to that of the Los Angeles Survey of Families and Communities fielded by Anne Pebley and others at RAND.

This longitudinal survey of current and recent cash-aid recipients will allow us to describe how the well-being of children and their families changes after the implementation of CalWORKs. The survey will complement our analysis of available administrative data by measuring outcomes that are not otherwise captured in administrative records or large-scale general purpose surveys. To illustrate, we will learn (1) Why did people leave welfare? and (2) What has happened since they left? For example, leaving to get married is a quite different outcome from leaving because of a job or because of time limits.

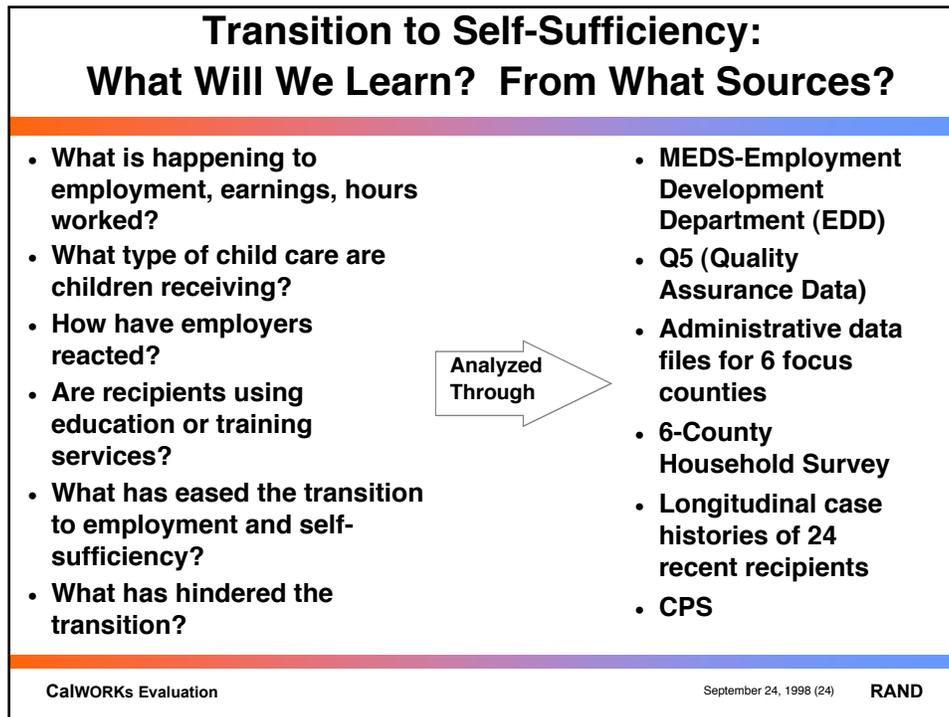


The impact analysis is designed to address questions relating to three types of outcomes: those within the welfare system, those relating to the transition to self-sufficiency, and those relating to child and family well-being. With respect to the welfare system, the impact analysis will explore: How many people participate in various aid programs (not just cash aid, but Food Stamps and Medi-Cal)? What are their characteristics? How many people are diverted from aid with one-time payments?

Other data will help us to evaluate how aid recipients are flowing through the CalWORKs process. For example, some recipients will be directed to job-search activities, others will be exempted from work requirements, and still others will be directed into education or training programs. Similarly, the impact analysis team will explore what kinds of services recipients are receiving to support their work efforts. CalWORKs offers a number of supportive services, from child care and transportation to mental health and substance abuse treatment. The team will track these services as well.

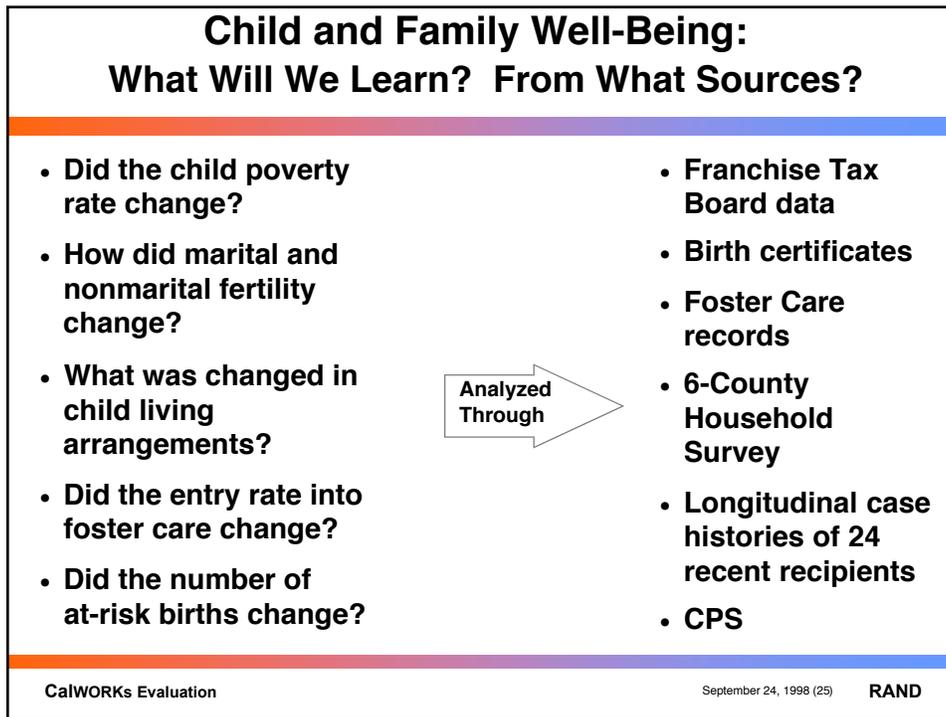
Finally, the impact analysis team will study not only the number of people using various services but duration of use: How long are people on aid? Once they leave, do they eventually reapply? When? Another change resulting from CalWORKs is time limits: Recipients are eligible for only 60 months of support over their lifetimes. Thus, the impact analysis team will examine whether people stay on for long periods of time or move on and off the rolls in the hopes of delaying hitting the ultimate time limit.

We will be using five different kinds of data to address these questions: state administrative data (e.g., the Medi-Cal Eligibility Determination System, Quality Assurance data), detailed administrative data for the six Focus Counties, our household survey, and national survey data (e.g., the Current Population Survey). No one dataset will have all the information we need; thus, the team will combine what it learns from all five sources into its assessment of the impact of CalWORKs on these outcomes.



Similarly, the impact analysis team will address a set of questions about self-sufficiency. The goal of the CalWORKs reform is not solely to restructure the welfare system; the legislation also aims to help families move to self-sufficiency. This part of the evaluation will therefore track both employment outcomes and how aid recipients achieved those work outcomes. For example, the team will examine recipients' employment, including their earnings and hours. It will also examine a number of other questions related to self-sufficiency: What kind of services did recipients use or not use? Are they using child care services through CalWORKs, or have they made their own arrangements? Are they using education and training services through CalWORKs? Which of these services particularly help recipients move into the workforce? Are there services that recipients could use that CalWORKs does not provide? What hinders recipients from moving fully into the workforce?

Again, the data collected will shed light on these questions from multiple perspectives. Where possible, the team will use statewide administrative data to compare outcomes before and after the CalWORKs reform. We will also use national data to compare California outcomes with outcomes in other states. Finally, where statewide data are not available, we will use data from the six Focus Counties.



The third set of questions takes an even broader perspective. Ultimately, the goal of CalWORKs is to improve child and family well-being by helping families move into self-sufficiency through work. Thus, the third set of questions concerns child and family well-being under CalWORKs. For example, did the child poverty rate change? Similarly, CalWORKs legislation intends to signal to young people now facing certain life choices (whether to leave school, whether to have children before getting married, or whether to make certain career decisions) that they may want to reconsider in light of the new welfare system. Thus, the team will study such outcomes as the number of nonmarital births, the fraction of births to married women, how many children are living with two-parent families, foster-care rates, and whether the number of at-risk births changes under CalWORKs.

We will examine these outcomes not only for current welfare recipients, but also for recent recipients and potential future recipients. For current recipients, these data are often in the county administrative data systems. For recent and potential future recipients, measuring these outcomes is more difficult. We will draw information where possible on these outcomes from tax returns, birth certificates, foster care records, the household survey in the six Focus Counties, the 24 longitudinal case histories, and national survey data (e.g., the CPS). No one source is perfect. Together they will provide some insights into the effects of CalWORKs on child and family well-being.

Timing of Reports

- **Process analysis reports:**
 - Draft of first report to CDSS—January 4, 1999
 - Public release of first report—February 18, 1999
 - Second report—January/February 2000
 - Third report—January/February 2001
- **Impact analysis reports:**
 - Draft of first report to CDSS—August 28, 2000
 - Public release of first report—October 12, 2000
 - Second report—August/October 2001
- **Reports also online at**
<http://www.rand.org/CalWORKs>

The results from all of the RAND analyses will be published on a regular basis according to the schedule outlined in the RFP. The first process report is due in February 1999, with a draft due 45 days earlier. The second and third reports follow a year apart, again with public release in February of those years.

The impact analyses have a somewhat different schedule. The first impact analysis is due in October 2000, with a draft due at the end of August (45 days earlier). The final report is due October 2001.

All of the final reports will be available in hard copy through RAND's Publications Department and on RAND's Web site.