

## Perspectives on Welfare Reform

### Part Two: Welfare And Work: The Need For New Practice Skills

*Constance Goldman Beresin, MSS*

In the Spring of 1998, the first issue of this journal published an article by Ronald K. Green and Richard L. Edwards. The authors focused on one of the most revolutionary changes in the field of social work in the last three decades: welfare reform.

Social workers of varying disciplines have adapted to change over the years, but most changes and shifts in policies and/or regulations that affect the operations of social work agencies and the expectations of social workers have occurred less suddenly than has welfare reform. For example, during the 1980s and 1990s, those working in mental retardation have been (and continue to be) challenged by deinstitutionalization, privatization, "person-centered planning, and consumer choice."

However, from a practitioner's viewpoint, few policy shifts have demanded a greater level of analysis, strategic thinking, incisive planning, and re-education of social workers. Over the last two years, employment and training providers have had to re-examine the way we do business; it is a new era for those social workers and agencies involved in this aspect of social work.

Employment and training providers prepare and train people for productive work, develop jobs, provide placement, and, in some situations, retention services. Consumers include: people with mental illness, mental retardation and/or physical and learning disabilities; refugees; welfare recipients; and those who are outplaced, downsized, and displaced. Since 1941, when refugees from war-torn Europe entered the United States, the organization for which I work, the Jewish Employment and Vocational Service (JEVS), has assessed, evaluated, trained, placed, coached, and supported thousands of people. Since that time, we have also designed and implemented programs for companies such as PGW, PECO, and The Alliance for Employee Growth and Development (AT&T, CWA, and IBEW) in continuing education and employee

upgrading; provided drug and alcohol treatment to increase the level of employability among those recovering; and conducted skill training for the unemployed and underemployed through JEVS' Orleans Technical Institute and Court Reporting Institute. The greatest shifts in methodologies and program models have occurred during the last two years; most are due to welfare reform.

A radically new welfare system has been mandated for the Commonwealth of Pennsylvania through legislative action, both state (Act 35) and federal (The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, referred to below as "welfare reform"). The federal Temporary Assistance to Needy Families (TANF), formerly Aid to Families with Dependent Children (AFDC), legislation:

- Sets a five-year lifetime limit on TANF-funded assistance;

- Authorizes the states to administer welfare programs on their own;

- Funds state welfare programs with a lump-sum block grant;

- Requires that TANF recipients comply with work activity requirements; and,

- Limits education as an allowable work activity.

Pennsylvania's own welfare legislation, ACT 35, which mirrors the new rules for welfare recipients under TANF, requires participants to:

- Sign an Agreement of Mutual Responsibility (AMR), thereby confirming that they will abide by the new rules;

- Conduct a minimum of eight weeks of job search; and,

- Participate in additional work-related activities specified in the AMR, if they have not found employment at the end of the eight weeks.

As of March 3, 1999, recipients who have been in the system for more than 24 months must be

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spending at least 20 hours a week in a job or in a work activity in order to continue their public assistance benefits. Some 64,000 adults receive public assistance in Philadelphia, of whom about 23,000 will be up against the two-year limit by March; and thousands more will reach that limit in the months to come (Philadelphia Inquirer, 12/4/98).

What does this mean for employment and training providers? I will discuss four areas where organizations and social workers are impacted and implications for continuing education of social workers: financial management, marketing, communication, and information technology. This is not, however, an inclusive list.

What are the financial implications for non-profits? States are required by federal welfare reform legislation to reduce the number of welfare recipients by specific levels. When these reductions occur over specified periods of time, states are awarded cash bonuses. Where the reductions do not meet the goals, states can be financially penalized. During 1996-1997, Pennsylvania structured its new welfare legislation to meet these benchmarks, making it a "work-first state." The state released an RFP for a "Rapid Attachment Program"--a model whose goal is to "rapidly attach" welfare recipients to the workforce. The new mantra is "place, train," not "train, place." (MDRC research.) And, the RFP indicated that all contracts would be for performance, not the more common cost reimbursement. The standard government "cost reimbursement" contract is one that will reimburse the organization for the cost of providing the service within a predetermined amount.

Welfare-to-work state performance-based RFP's were open to for-profit companies and non-profits; competition for these contracts was, and remains, keen. This is true for other areas that have been traditionally the venue of social work agencies such as home health care, residential care, drug and alcohol treatment, prison programs, etc. But, prior to 1996, few for-profit companies appeared interested in contracts to help welfare recipients get

jobs. There is a financial risk in a performance contract. Smaller non-profits often are reluctant to accept this financial risk (and rightly so). Larger, "entrepreneurial" non-profits that are able to sustain the high risk can compete with for-profit companies that can more easily capitalize operations as a part of strategic growth. And, for-profit companies are frequently more comfortable with the expectations of greater accountability than are non-profits, as the for-profit companies often have more sophisticated information technology systems with which to collect and analyze data.

The Rapid Attachment RFP required a proposal based on performance. The budget had to be structured on the basis of the number of enrollments and the number of placements. For example, the contractor would be paid a certain amount of money for each person enrolled, for each person placed in a job for one day, and, again, for each person remaining on the job for 90 days. The state's goal, and, by inference, the contractors' imperative, was to get as many welfare recipients into jobs as quickly as possible. The state had to meet its goal or be penalized. There was no money up front, no money guaranteed, and no money provided unless the organization performed.

Contractors still had to be responsible for a budget for the organization's internal controls, but that budget did not require approval by the state. Therefore, we could be flexible; we did not need to ask permission to make changes. But, we needed to be nimble with regard to the way in which we operated. As we are a union organization, when any changes are warranted, we initiate discussion with the union leadership as to the reasons and what was proposed. In fact, immediately upon understanding that the rules of the game had changed we informed the union and discussed the potential impact the changes might have on union members. Job descriptions changed and concrete measurable goals were instituted within them. A bonus system was initiated, tied to a common level of expectations for placements.

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The State Department of Public Welfare negotiated Rapid Attachment contracts throughout the Commonwealth. JEVS, having served welfare recipients for a decade prior to welfare reform (under cost reimbursement contracts), received one of them.

The state determined the number of people to be served. In order to staff the Rapid Attachment contract appropriately, we hired only that number of workers needed for the "flow" (referrals from the County Assistance Offices (CAOs), but we had to have some sense of what that flow might be. The math is not complicated, but it required a different mind-set. An organization must have the skills to make this shift; social workers, both administrators and practitioners, must understand on which basis the contract is structured. With cost reimbursement, a manager is responsible to return funds if they are not needed, or to negotiate a revised budget if one sees that there are new assumptions. The funding source's monitors and evaluators will certainly know what has and has not been accomplished. And, if the organization is not accomplishing what it said it would in the contract, it risks the frustration of its consumers/clients, it risks its reputation, and it risks not having the contract renewed.

Under a performance contract, one must look at the level of referrals and achieve benchmarks on a regular basis. Here is where the information systems are important. One must review the numbers daily and weekly. If these benchmarks fall short, steps must be taken swiftly. For example, when the Rapid Attachment contract commenced, the referrals were not at the level they should have been. Rapid Attachment staff visited the CAO staff and relationships began to develop. Workers from both staffs got to know each other and to work together on behalf of clients. Referrals picked up. In JEVS' Community Solutions (RETAIN) Program, another welfare to work performance contract, JEVS' workers visited CAO workers and presented them with roses to say "thank you for your support, keep the clients coming, and, we have the same goals." It worked.

What does this have to do with continuing education of social workers? An organization that determines it will compete for performance contracts must have the internal financial expertise and information technology, or the capital resources to obtain them. One frustration is that few foundations, and, certainly not the government, will capitalize these costs. Social workers who understand and appreciate the need to obtain credit, how to budget in order to service the debt, and appreciate the need for reserves and endowment funds and the way in which these are obtained, will be more likely to have the confidence and take the risk to respond to the new performance based contracts.

But, why marketing? In the new world according to welfare reform, the welfare recipient ideally has choices. Certainly, those choices are limited within parameters which have fundamentally changed--that is, the restrictions on the time one can be on welfare and those regulations regarding skill training. However, an Agreement of Mutual Responsibility (AMR) can be negotiated between a COA worker and a welfare recipient to permit the welfare recipient to do a job search on her own or obtain assistance from one of the programs (Rapid Attachment, Community Solutions, Greater Philadelphia Works (GPW), etc.) funded by the federal, state, and city governments, and the Private Industry Council (PIC). Of course, many workers and welfare recipients do not have all the resource information. Therefore, if you are operating one of these programs, part of what you will need to do is market your program. To obtain the level of referrals needed to meet your goals, you must market your services to CAO workers and to welfare recipients; and, to obtain the job orders for your clients, you must market clients to employers.

I must admit that in designing the initial program at JEVS, we determined that the best training required to develop jobs and place clients for the Rapid Attachment program was in marketing, not social work. There were enormous time constraints in commencing the program. The organization was up against the clock just like the welfare

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recipients. We hired men and women who had been downsized by the HMO systems, who had worked in the neighborhoods seeking subscribers among people who were low income. They were trained in marketing while understanding the culture of poverty. They brought enormous energy and drive to their jobs. They were used to objective measurable goals and getting paid when they achieved them. This group of people was then trained by JEVS in other aspects of their jobs. The strategy worked.

There is an increased emphasis on choice for the consumer/client. Vouchers are coming. The recently passed Workforce Investment Act (WIA) of 1998, PL 105-220, mandates increased accountability and the establishment of One Stops throughout the country, and states that "job seekers will control their own careers by choosing the training programs and services that fit their needs." This will be true of all those seeking employment including people on welfare. The WIA will, in its ideal form, create a "strong network of interlinked programs designed to provide wide choices to Americans seeking new opportunities and valuable information." (Federal Register/Vol. 63, No. 218/Thursday, November 12, 1998.) And, the WIA will drive a new voucher system, replacing to a great extent both cost reimbursement and performance contracts.

The theme of choice drives the need for social work institutions and social workers to obtain strong and more relevant training in marketing, advertising, public relations, lobbying, and, most important of all, communications skills.

Choice, however, is different from "self-determination" and "starting where the client is," key principles, as noted by Green and Edwards in the article referenced above. In self-determination and "starting where the client is," parameters are invisible. For example, there are no time limits. And, as Green and Edwards noted, there often is little examination of the consequences of one's choice. Under welfare reform, JEVS' workers and those at the CAO are expected to assist clients in determining all the options and exploring with the clients

the consequences of each option. The key element is getting off welfare and into a job as quickly as possible. Welfare is no longer an entitlement. It is no longer on the list of choices one makes beyond the five-year lifetime limit. And, it is imperative that workers in social service agencies have knowledge of the resources available to clients as well as seek resources not readily available. For example, the JEVS Board of Directors, understanding that skill training is not provided before work in most instances, raised over \$50,000 last year to provide scholarships for those who were permitted to obtain this training. And, staff then negotiated individual by individual with the CAO to permit 30 people to obtain skill training. Strong communication skills, persuasiveness, and having the full picture of a client's situation, are key here. Scholarships will be provided again this year, and the negotiation process will be repeated.

What impact does information technology have? First, social workers must become computer literate. They must learn about relational databases and spread sheets; they must utilize the computer for client data input and retrieval, benchmarking, and general program information. Second, social workers must learn how to use the Internet and obtain critical and timely information to do their jobs. Administrators can access the Federal Register and state and federal laws and regulations through the Internet. They can research the latest trends, innovative programming, and "best practices" in employment and training as well as other social work fields of interest. World Wide Web (WWW) ([pages.nyu.edu/~gh5/gh-w3-f.htm](http://pages.nyu.edu/~gh5/gh-w3-f.htm)) Resources for Social Workers is a site that was created to facilitate social workers' access to information available on the WWW. From the National Institute of Health's Pub Med ([www.ncbi.nlm.nih.gov](http://www.ncbi.nlm.nih.gov)), one can obtain abstract reports on a variety of medical and psychological subjects. The regional LibertyNet contains an excellent source of information on welfare reform. The training of social workers to utilize the Internet should be part of social work school curriculum and in-service training of social work organizations.

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On this last point, our organization has made a commitment to management training. Every manager must take a six-part management training series, which includes performance appraisals, interviewing skills, coaching and counseling supervisees, delegation, and situational leadership. It is taught by a Master's level social worker who also has an MBA. Budgeting and financial management will be added to these offerings. This is a necessity both for our beginning managers and for many who are seasoned. Refresher courses are already being requested in a number of the modules. It has been very successful. We also offer computer training on an on-going basis.

The Bureau of Labor Statistics 1998-99 Occupational Outlook Handbook notes that the "employment of social workers is expected to increase faster than the average for all occupations through the year 2006." It is incumbent upon social work educators and human resources trainers in social welfare agencies to keep those in our profession as current as possible. The changes in employment and training legislation and regulations, in particular, in welfare reform at the state and federal levels, demand that we address the need for skills in financial management, marketing, communication, and information technology. And, of course, these same skills will serve practitioners well in many other areas of social work.