

Executive Summary

The Center for the Study of Human Resources (CHR) of the LBJ School of Public Affairs at The University of Texas at Austin conducted a multi-year evaluation of the Texas Food Stamp Employment and Training (FSE&T)/Job Opportunities and Basic Skills (JOBS) Program Conformance Demonstration under contract to the Texas Department of Human Services (DHS).¹ The demonstration and the evaluation were sponsored by the Food and Nutrition Service of U.S. Department of Agriculture. The evaluation was designed to describe and monitor policies and practices developed and implemented for the demonstration, and to assess their impacts on participation patterns, service delivery, client outcomes, and costs. The evaluation encompassed the period from Federal Fiscal Year (FFY) 1993 through FFY 1995. This report presents the results from the impact component of the evaluation.

Overview of the Demonstration. DHS staff designed the demonstration, known locally as BOND (Better Opportunities for New Directions), to test the conformance compatibility between the FSE&T and JOBS programs. JOBS policies and procedures, normally applied to AFDC recipients, were applied to eligible Food Stamp recipients; staff serving the two client groups were merged; and activities and support services provided to JOBS and FSE&T participants, with few exceptions, became identical.

The BOND demonstration had four basic objectives:

- To assure continuity of services for FSE&T and JOBS program participants,
- To provide FSE&T participants expanded and enhanced activity components and support services,
- To increase client participation through the application of a clear sanction policy, and
- To target resources based upon participant need.

DHS identified at least three possible positive outcomes to the FSE&T and JOBS conformance demonstration. First, the adoption of JOBS policies and component activities by the FSE&T would permit continuity of service delivery by allowing participants to remain in an

¹ Responsibility for both the FSE&T and JOBS programs were transferred to the Texas Workforce Commission on June 1, 1996.

education, training, or employment-related activity despite changes in program eligibility. Second, common administrative processes, support materials, staff training, and a single service delivery system would increase efficiency and reduce certain program costs. Third, the expanded and enhanced employment program would more rapidly move participants toward self-sufficiency.

Impact Evaluation Research Questions. The impact evaluation directly addressed the following research questions:

- What effect have the changes in exemption criteria had on the number and proportion of nonexempt work registrants and participants?
- What effect have the changes in exemption criteria and volunteer priority had on the number of exempt work registrants who volunteer and the overall volunteer/mandatory participant mix?
- What effect have the changes in the sanction policy had on the percentage of work registrants responding to call-in and overall requests for sanctions?
- What changes have occurred in the total number of clients in each activity, the mix of activities in which clients participate, the length of time in activities, and total time in the FSE&T program?
- What impact has the demonstration had on the number of participants completing high school, receiving GEDs, and completing vocational training?
- What impact has the demonstration had on rates of employment and post-program quarterly earnings?
- What effect has the demonstration had on the inter-program transfer rates between FSE&T and JOBS?

These questions were analyzed using a pre-post/demonstration-comparison site strategy. Typically, results for both a baseline time period and the demonstration time period were computed for McLennan County (the demonstration county) and Smith County (the comparison county) to determine unadjusted net effects of the demonstration on each of the measures. When these measures were not possible, comparisons were computed only between the two counties within the *same* time period or for the demonstration county between the baseline and demonstration periods. Regression analysis was then used to adjust these results for confounding factors

Summary of Research Results. The BOND demonstration enacted several policy changes — including exemption criteria, sanction policy, and service to volunteers — while offering participants case management, a broader array of component activities, and increased access to supportive services. The two policy changes that had the greatest effect on participation patterns were participation by volunteers and increased availability of child care to persons caring for young children. The combination of these two changes opened up the FSE&T program to a group of Food Stamp recipients who were previously denied the opportunity to participate, with volunteers comprising over forty percent of McLennan County participants during the first two years of the demonstration. Persons volunteering for the program typically chose to increase their labor market skills through vocational training or post-secondary education and differed markedly from mandatory participants demographically. Changing the exemption criteria had little effect on participation patterns. Changes in sanction policy also appeared to have little effect, although data difficulties precluded obtaining a clear answer to this question.

Around the same time that the demonstration began, the Texas FSE&T program changed its contracted services to offer an array of services to FSE&T participants that was similar in intensity and diversity to those offered in JOBS. Although both contracted and noncontracted services were theoretically available to FSE&T participants across the state, participants in BOND enrolled in a broader array of services than those in the comparison county. While almost all participants in the comparison county enrolled only in job readiness and job search, participants in McLennan County also enrolled in both GED and postsecondary activities in large numbers. Four times as many McLennan County participants enrolled in GED-preparation activities than they had during the baseline period. They also averaged more hours per month in components and a month longer in total length of participation. Most of this additional effort occurred because of BOND's success in leveraging additional services from the community at no cost to the program. By the second year of the demonstration, the high rates of educational enrollments resulted in increased numbers of GEDs and post secondary degrees being awarded. The large number of volunteers enrolled in postsecondary education accounted for a large portion of the persons receiving postsecondary degrees.

The unadjusted net employment rates—both for the quarter immediately after participation and the entire year following participation—increased significantly for participants in the first year of the BOND demonstration. While immediate quarterly earnings were significantly greater for BOND participants in both years of the demonstration, earnings for the entire year following participation were higher but not significantly different from the comparison county. An additional year of

employment and earnings data would be needed to truly estimate the longer-term effects on employment and earnings. Most of the observed increases in employment rates and earnings in the BOND demonstration were attributable to the different demographic characteristics of participants in McLennan County that resulted from opening the BOND demonstration to volunteers. Remaining differences in the employment and earnings outcomes for the two counties were not statistically significant.

Approximately four percent of AFDC recipients transferred from AFDC to only Food Stamps both prior to and during the demonstration. No evidence was found to indicate that the demonstration had any effect on the rate of interprogram transfers.

Conclusions. Of the four stated objectives of the BOND demonstration, the results from the impact evaluation clearly indicate that three of the four objectives — assuring continuity of services, providing expanded and enhanced activity components and supportive services, and targeting resources based on participant need — were met. The remaining objective — increasing participation through a clear sanction policy — did not appear to be obtained, although the data difficulties with this measure cloud this issue somewhat. The increased participation that occurred in the BOND demonstration is associated with the policy of serving volunteers rather than a change in sanction policy.

Among the possible outcomes that DHS administrative staff anticipated would occur from the demonstration was that the expanded and enhanced employment program would move participants more rapidly toward self-sufficiency. Although the measurement of increased self-sufficiency was not directly addressed in the research questions, increases in GEDs attained and post-secondary degrees suggest that increased self-sufficiency should result from this approach. While there is some evidence of increased employment and earnings among persons completing their FSE&T participation, another year of earnings data would be needed to conclusively determine whether the early employment and earnings gains would hold up over time.

In general, the BOND demonstration accomplished its objectives and demonstrated that the JOBS and FSE&T programs could be run successfully as one program. This was an encouraging finding, particularly given Texas' recent legislation to consolidate the operation of its employment and training programs.