



**THE FIRST YEAR OF SUCCESS:
EVALUATION OF SAN MATEO
COUNTY'S WELFARE TO WORK
PROJECT**

Executive Summary

April 9, 1999

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EXECUTIVE SUMMARY

After a two-year community and agency-wide planning process, the San Mateo County Human Services Agency (HSA) unveiled its Shared Undertaking to Change the Community and to Enable Self-Sufficiency (SUCCESS) model in 1996. The SUCCESS Model represented a fundamental change in the way human services were delivered, focusing on streamlined services for low-income families in the face of federally imposed time limits to assistance, and increased participation requirements for welfare recipients. In July 1997, the San Mateo County Human Services Agency (HSA) was authorized by the California Department of Social Services (CDSS) to operate its SUCCESS model as a demonstration project for the state of California. CDSS and HSA backed their commitment to this innovative reform effort by sponsoring an independent evaluation of the effectiveness of SUCCESS that is being conducted by The SPHERE Institute.

The SUCCESS evaluation consists of an impact analysis, a cost-benefit analysis, and a child well-being analysis. In addition, HSA is conducting a process analysis that documents program operations and provides feedback to HSA management and staff that can be used to refine and improve the SUCCESS model. This report summarizes outcomes from the first year of implementation.

The SUCCESS Model

The SUCCESS Model was developed to simplify and streamline current eligibility processes while expanding intensive services for families and individuals with severe barriers to attaining self-sufficiency. Key features of the SUCCESS Model are a single point of entry for all programs, integrated and comprehensive case management and supportive services, emphasis on immediate employment for the job ready, and more rigorous sanctions for non-cooperation.

Although SUCCESS operates within the parameters of CalWORKs, it differs from CalWORKs in two essential ways. First, SUCCESS provides a comprehensive assessment and case management process that provides intensive supportive services throughout the client's duration on assistance and beyond. Second, clients who are non-compliant with any portion of their SUCCESS plan are eligible for a full family sanction,

and the entire family assistance unit can be removed from aid until compliance is resumed.

Method

To assess the effectiveness of SUCCESS in achieving its goal of moving low-income families to self-sufficiency, the impact evaluation examines observable outcomes including employment, earnings, and receipt of public assistance. Information available from administrative records maintained by San Mateo County for all AFDC/SUCCESS clients who participate in the program from July 1995 provides the basis for the integrated data set measuring public assistance outcomes. This report examined outcomes obtained from the Case Data System (CDS) combined with two data sources to track clients after they have left SUCCESS: the Medi-Cal Eligibility Data System (MEDS) and the Unemployment Insurance Base Wage File.

At the time this report was prepared, SUCCESS had been fully operational for only six to nine months in some parts of the county. Therefore, this report primarily provides a summary of the major outcomes in San Mateo County prior to implementation of SUCCESS and very preliminary findings from the first several months of implementation.

Summary of Findings

- **San Mateo County's non child-only welfare caseload has declined by more than 75 percent since 1994.** In 1995 and 1996, the number of families leaving aid each month increased substantially, and there was little change in the number of families arriving on aid each month. In 1997 and 1998, the rate at which families left aid continued to increase, and the rate at which families arrived on aid declined sharply. We found no evidence that cross-county migration of aid recipients played a substantial role in reducing San Mateo County's welfare caseload in the 1995-1998 period.
- **The rate of welfare recidivism has shown no consistent trend over the last several years.** The recidivism rate peaked in 1995 and 1996, but declined sharply in 1997 and 1998. However, the proportion of the active caseload that has experienced multiple spells on aid increased consistently from 1994 to 1998. Compared to recidivist cases in the 1992-1994 period, families returning to welfare in the 1995-1998 period have done so after shorter spells of time off aid.
- **Families with an extensive history of aid use comprise over one-half of San Mateo County's active caseload at the end of 1998.** Families leaving aid tend to

have less cumulative aid use than families remaining on the caseload, and families with extensive aid histories have become an increasingly larger percentage of San Mateo County's active caseload since 1994. The proportion of families on aid who have spent more than half of the previous five years on assistance increased from 35 percent in 1994 to 55 percent in 1998. At the same time, families with extensive aid histories also represent a growing proportion of families leaving aid.

- **More families receiving cash aid are working and the earnings of working recipients are increasing.** The proportion of families working while on aid increased from 20 percent in 1993 to 50 percent in 1998. Over this same period, median quarterly earnings for working families on aid increased from \$1,100 to \$2,000. In addition, families with extensive aid histories now are slightly *more likely* to be employed – and tend to have higher earnings if employed – than aided families that have spent less cumulative time on aid.
- **More families leaving aid are working.** Sixty percent of families leaving aid in 1998 have earnings in the quarter in which they leave aid, compared to 53 percent of 1995-1997 leavers and 38 percent of 1993-1994 leavers.
- **Earnings tend to increase over time for families that remain employed after leaving aid.** Earnings of families that remain employed after leaving cash aid rise sharply in the quarter immediately after leaving and continue to gradually increase thereafter. Moreover, families leaving aid in the 1995-98 period tend to have higher earnings than families leaving aid in 1993 and 1994.
- **Most families leaving aid whose cases were discontinued due to 'failure to provide information' have earnings.** Sixty-five percent of families whose cases were discontinued due to 'failure to provide information' are employed in the quarter in which they leave aid. In addition, these families tend to have higher earnings than other groups of families leaving aid, except for those whom directly report leaving aid due to employment.
- **Earnings tend to decline immediately prior to a family's arrival on aid.** Median quarterly family earnings tend to decline by about \$1,000 over the two quarters prior to arrival on aid. Surprisingly, the likelihood that a family has earnings does not decline in the quarter prior to receiving cash aid.

Next Steps

The findings presented in this report provide essential contextual information to assist in the interpretation of outcomes and impacts of SUCCESS in subsequent reports. The second annual report, to be completed in early 2000, will examine early program impacts by comparing outcomes under SUCCESS with the same outcomes in San Mateo County prior to program implementation, as well as outcomes in other California counties. In addition, the second annual report will present outcomes under SUCCESS developed from a supplemental child well-being study. The third and final report will

extend findings for both the outcomes and child well-being analyses, and will include a cost effectiveness analysis of the SUCCESS Model.