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MATHEMATICA
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*Rural Welfare-to-Work
Strategies Demonstration
Evaluation*

**A Summary of the
Evaluation Design and
Demonstration Programs**

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A SUMMARY OF THE EVALUATION DESIGN AND DEMONSTRATION PROGRAMS

Phased in during a time of strong economic expansion, welfare reform and the Temporary Assistance for Needy Families (TANF) program have been associated with an unprecedented drop in the welfare rolls and commensurate increases in employment. While the nation's rural areas have shared in the benefits of economic prosperity and welfare reform, poverty continues to be more prevalent and persistent in rural areas than in nonrural ones. The Administration for Children and Families (ACF) is funding the Rural Welfare-to-Work (WtW) Strategies Demonstration Evaluation to learn how best to help TANF and other low-income rural families move from welfare to work. Under contract to ACF, Mathematica Policy Research, Inc. (MPR), along with Decision Information Resources, Inc. (DIR), is conducting the evaluation.

Economic and geographic conditions in rural areas make it especially difficult for welfare recipients and other low-income families to enter, maintain, and advance in employment and secure longer-term family well-being. Unemployment and underemployment rates are higher, and average earnings are lower, in rural labor markets than in urban ones. The lower population densities and greater geographic dispersion that characterize most rural areas result in severe transportation problems and limited employment options. Key services, such as education, training, child care, and other support services, are often unavailable or difficult to access.

Many evaluations have focused on rural populations and employment strategies, but few, if any, have been rigorous. The Rural WtW Evaluation will lead to increased information on well-conceived rural WtW programs. Distinctive, innovative programs in three states—Illinois, Nebraska, and Tennessee—were selected as evaluation sites. A rigorous evaluation of each will greatly contribute to knowledge about what rural strategies work best for different groups of welfare recipients and other low-income families. It also will highlight lessons about the operational challenges associated with these programs, provide recommendations for improving them, and guide future WtW programs and policies related to the rural poor. Overall, the evaluation will address five core research questions:

1. **Program Models.** What types of services or policy approaches do the evaluation sites provide, and how do they compare with existing services?
2. **Implementation.** What issues and challenges are associated with implementing and operating the WtW programs and policy approaches studied?
3. **Impacts.** What are the net impacts of the programs on individuals and their families? How effective are the programs in increasing employment and earnings and improving other measures of family well-being?
4. **Benefits and Costs.** What are the net costs of the programs, and do the programs' benefits outweigh the costs?

5. ***Policy Recommendations.*** What strategies should policymakers consider in designing approaches to improve the efficacy of WtW strategies in rural places?

THE RURAL WELFARE-TO-WORK PROGRAMS

The Rural WtW programs in Illinois, Nebraska, and Tennessee each offer innovative services designed to promote employment and economic independence among the rural poor. These states were selected as evaluation sites because they offer substantial, intensive program services on a scale large enough to support a rigorous experimental study of impacts. The key characteristics of the programs are contrasted below and highlighted in Table 1. In addition, a detailed profile report for each program follows (Attachments A, B, and C). These separate reports provide a descriptive overview of each program's services, structure, and context at the outset of the evaluation.¹ The profile reports are based on program background materials and information provided by program staff.

The three Rural WtW programs complement and enhance available services by using diverse approaches to address different types of employment barriers common to rural areas:

- The ***Illinois Future Steps*** program offers intensive, employment-focused case management to prepare participants for work and help them get and keep good jobs. This approach responds to economic problems common in rural areas, such as a weak economic base and lack of good jobs.
- The ***Building Nebraska Families*** program offers individualized, home-based education and mentoring to help participants develop life skills and overcome barriers, thus indirectly enhancing their employability. This approach recognizes that many individuals face multiple, serious personal barriers to employment and that specialized services to address these barriers are often limited and difficult to access in remote rural areas.
- The ***Tennessee First Wheels*** program provides no-interest car loans and offers individualized support to help participants maintain their vehicles and stay current in their loan payments. This approach addresses the lack of reliable, affordable transportation that can impede progress toward work and self-sufficiency.

The three Rural WtW programs all leverage resources in their target areas through partnerships with well-established, respected community-based organizations. In Illinois and Nebraska, a community college and university-based cooperative extension service, respectively, have primary responsibility for operating the programs, under contract to state welfare agencies. In Tennessee, a statewide economic development and resource management council operates the program in collaboration with the welfare agency. By taking the delivery of WtW program services out of the hands of the welfare agency, all three programs seek to promote the

¹As the evaluation progresses, the process and implementation study, described below, will assess each program's outstanding features and key challenges, draw lessons about service delivery, and make recommendations to guide future program and policy decisions. At this stage, this report provides a baseline description of the program models as they were intended to operate at the outset of the evaluation.

TABLE 1

KEY CHARACTERISTICS OF THE RURAL WtW DEMONSTRATION PROGRAMS

Future Steps Illinois	Building Nebraska Families Nebraska	First Wheels Tennessee
Program Model and Key Services		
Employment-focused case management, with job placement assistance and postemployment support	Pre-employment life skills education, with individualized and home-based instruction and mentoring	Interest-free car loan, along with car and loan maintenance support
Partner Organizations		
Illinois Department of Human Services	Nebraska Health and Human Services System	Tennessee Department of Human Services
Shawnee Community College (SCC), Placement Center	University of Nebraska Cooperative Extension (UNCE)	Tennessee Resource Conservation and Development Council (RC&D)
Target Population		
TANF recipients and other low-income people who do or do not have children under age 18 (mainly food stamp or Medicaid recipients)	Hard-to-employ TANF recipients with multiple employment barriers who have unsuccessfully participated in other TANF program activities	TANF recipients and others who have children under age 18 and who receive food stamps or child care assistance
Coverage Area for Program and Evaluation		
5 rural counties in southern Illinois	About half of all rural counties statewide (40 of the state's 93 counties)	Statewide program—all rural counties included in the evaluation (91 of the state's 95 counties)
Key Staff and Caseload Size		
5 SCC career specialists (3.5 FTEs)	10 UNCE educators (full-time)	7 RC&D program managers (full-time)
35 to 40 active cases per career specialist	12 to 15 active cases per educator	About 105 cases per program manager by end of evaluation
Noteworthy Program Features		
\$500 in flexible supportive service funds are available per participant	Educators are master's-level professionals who use research-based curriculum	Participants required to take classes on household financial management and vehicle maintenance
Home visits are an option	Program services provided primarily through home visits	Individual guidance during loan application, vehicle purchase, and loan repayment processes
Projected Evaluation Sample Size		
600 total (300 program, 300 control)	600 total (330 program, 270 control)	2,200 total (1,320 program, 880 control)
		An estimated 725 program group members will be awarded a car loan
Sample Intake Period		
July 2001–December 2002 (18 months)	April 2002–March 2004 (24 months)	October 2002–March 2004 (18 months)

FTE = Full-time-equivalent staff member.

legitimacy of the services in the broader community and reduce any stigma that may be associated with participating in a public assistance program.

The three programs target different subsets of their states' low-income populations. While the Nebraska program defines its target group as the hardest-to-employ TANF recipients, the Illinois and Tennessee programs cast broader nets in recruiting individuals to their programs. Illinois' Future Steps and Tennessee's First Wheels serve current and transitional TANF recipients, but they also serve other low-income, public assistance clients who receive benefits such as food stamps, child care assistance, or Medicaid. Both programs reach beyond the TANF population in order to serve a higher fraction of needy individuals, prevent welfare dependence, and promote economic independence. Illinois' target population is the most broadly defined; it extends participation to low-income individuals who do not have dependent children, while Tennessee focuses only on low-income people with children. The programs' coverage areas also vary. Illinois focuses on five counties in the state's southernmost region, Nebraska operates in half of the state's rural counties, and Tennessee serves low-income people statewide.

EVALUATION DESIGN AND DATA COLLECTION PLANS

The evaluation aims to provide a comprehensive assessment of how effective each program is in promoting the employability and self-sufficiency of low-income people in rural areas. To do this, the evaluation plan includes three complementary, interconnected studies:

1. ***Impact Study.*** Rigorous studies using random-assignment designs are being conducted to determine what difference the WtW programs make in employment, family functioning, and well-being outcomes. Using random assignment, individuals eligible for scarce program slots are being assigned to either the WtW program group (who are offered WtW services) or a control group (who are not offered WtW services but who may use all other available services). The behaviors of these two groups will be compared over time to determine each program's net impacts. The impact study will use data from WtW program records, state welfare administrative records and other state systems, and surveys. Table 1 shows the evaluation sample size and intake period for each site.
2. ***Cost-Benefit Study.*** The evaluation will calculate estimates of net program cost-effectiveness based on data from the impact and implementation studies and published research. The distribution of benefits and costs will be analyzed from various perspectives—participant, government, taxpayer, and society at large.
3. ***In-Depth Process and Implementation Study.*** The process and implementation study will identify important implementation issues, draw lessons about service delivery challenges and innovations in rural areas, and provide details on how programs operate and achieve observed results. Data will come primarily from visits to the demonstration sites. The visits will include discussions with administrators and staff of WtW programs and related agencies, focus groups with participants and control group members, and program observation. Data from surveys, as well as program records, will be used to examine sample members' participation in program activities and use of services.

ATTACHMENT A

Site Profile—The Illinois Future Steps Program

RURAL WELFARE-TO-WORK STRATEGIES DEMONSTRATION EVALUATION

Site Profile—The Illinois Future Steps Program

Program Overview and Objectives

Future Steps is an intensive employment and case management program tailored to people with low incomes. It is operated by the Placement Center of Shawnee Community College (SCC), under a contract with the Illinois Department of Human Services (IDHS). Program clients work with case managers or career specialists to develop an individual responsibility plan and identify the steps and tasks necessary to achieve clients' goals. Future Steps staff then support and monitor clients' progress closely through regular meetings and home visits. As staff members work with clients, they facilitate access to job training, promote job search activities, encourage job retention, and refer clients to specialized supportive services. They also provide resources to help meet a variety of employment-related needs, such as those for appropriate clothing, reliable transportation, and proper child care. The program aims to enable clients to become steadily employed and eventually achieve self-sufficiency.

Program Model and Strategies

Target Population and Enrollment Goals

The Future Steps target population consists of two main groups: (1) mandatory Temporary Assistance for Needy Families (TANF) cases and (2) low-income volunteers. Mandatory cases are those TANF recipients required to engage in an approved work activity as a condition of receiving assistance. Volunteers may be people who are on TANF but who are not required to work, or those who receive other types of support from IDHS, such as food stamps or medical assistance. Volunteers also include people who do not participate in any IDHS program but who live in low-income households (under 200 percent of federal poverty guidelines). In all cases, participants must be available to work at least 30 hours per week.¹

According to program staff, TANF clients who enroll in Future Steps vary in their experience receiving public assistance. They include (1) clients with multiple barriers who are long-term TANF recipients, (2) clients who cycle on and off TANF, and (3) clients who receive TANF only for short periods. Program participants also differ widely in their skills, levels of job readiness, and barriers to work.

Future Steps aims to serve 300 clients during the 24 months beginning July 2001. The approximate number of active cases in any given month during this period is expected to be 110.

¹In order to conduct a rigorous evaluation of Future Steps, IDHS is limiting the eligible population to people who have not received services through the Advancing Opportunities program (a precursor to Future Steps) since July 1, 2000. IDHS also excludes from Future Steps TANF recipients who are required to participate in the state's specialized program for teen parents.

Key Program Components

Future Steps services center on intensive case management and postemployment support. Case managers/career specialists guide clients through a skills assessment and the development of a customized employment plan, conduct weekly in-person contacts with clients to gauge their progress, and actively link clients to other resources that will support their efforts to secure and maintain employment. The intensity of the intervention results from frequent contacts between clients and Future Steps staff, individualized support, and a focus on specific intermediate tasks that clients must accomplish to move toward employment. Small caseloads also increase the program's intensity; case managers/career specialists serve 30 clients on average.

Depending on clients' individual needs, career specialists facilitate access to a range of additional opportunities and services:

- ***Supportive payments***, which enable clients to purchase clothing, pay rent or utility bills, secure child care, obtain training or additional education, or remove other barriers to employment. As much as \$500 (more, in some cases), may be spent on behalf of each client in this way.
- ***Transportation assistance***, including driver's education, help in securing funds to purchase cars, car pools, employer-provided transportation to work locations, and the use of program vans to attend job interviews. Some of these needs are met through supportive payments.
- ***Referrals*** to outside service providers to address matters such as mental health care and housing.
- ***Life skills classes*** to increase clients' job readiness and their ability to manage household tasks, such as budgeting.
- ***Education and training*** in the form of GED classes, short-term vocational training customized to employers' needs, or subsidized on-the-job training for clients with very limited skills.

Once clients secure a job, Future Steps staff members contact both clients and their supervisors on a regular basis. These contacts are intended to smooth clients' transition to the work environment. When necessary to resolve problems that arise on the job, case managers/career specialists mediate between clients and their employers.

Geographic and Economic Context

Area Served

Five counties in southern Illinois—Alexander, Johnson, Massac, Pulaski, and Union—make up the Future Steps service area. The region covers about 1,400 square miles and is almost entirely rural, extending at its southern tip to where the Mississippi and Ohio Rivers meet. Shawnee National Forest and other natural areas occupy substantial portions of several counties.

According to the 2000 Census, population in the five-county area is 63,270, a slight increase since 1990. Population trends vary by county, however, with Alexander and Pulaski showing declines over the past decade. More than 80 percent of area residents are white; African Americans (about 13 percent of residents) represent the second-largest ethnic group.

Economic Conditions

Several indicators from the U.S. Census Bureau and the Illinois Department of Employment Security suggest that the area Future Steps serves faces significant economic challenges. Figures from the 2000 Census, for example, reveal that median household income in the five counties ranges from \$20,807 in Alexander to \$30,621 in Johnson, well below the statewide median of \$41,179. County poverty rates vary between Massac's 15.1 percent and Alexander's 30.1 percent, but all exceed the rate for Illinois as a whole (11.3 percent). Unemployment presents a more mixed picture. As of November 2001, rates in Alexander and Pulaski counties, both at 7.3 percent, were above the statewide level of 5.8 percent, while rates in the remaining three counties were below it.

Agriculture is the prime source of economic activity in the region, and some of the area's largest employers are grain-processing businesses. Other major employers are marine services providers, nursing homes, lumber companies, and manufacturers of products such as fiberglass and cleaning supplies.

To promote economic development, southern Illinois advertises itself as a tourist destination, especially for outdoor recreation, and the state has invested in improving facilities for vacationers. Other economic development efforts have focused on viticulture and winemaking, as well as commercial fish growing.

Policy and Program Environment

State and Local TANF and WtW Structure

The Illinois TANF program is state administered. Within the Future Steps service area, IDHS offices in each of the five counties are responsible for implementing TANF and other programs for low-income clients. Shawnee Community College is the main provider of local Welfare-to-Work and Workforce Investment Act programs and services.

According to data from IDHS and the U.S. Department of Health and Human Services, the number of families receiving TANF in Illinois has declined 72 percent since January 1997 to 58,309 (as of December 2001). In the counties Future Steps serves, TANF caseloads have followed this downward trend.

IDHS does not count months when TANF recipients earn income and work at least 30 hours a week toward the federally-mandated time limit of 60 months of TANF cash assistance. During periods when recipients meet the work requirement, benefits are paid from state funds. (Months when clients maintain satisfactory grades in approved postsecondary programs, care for a child who is severely disabled, or care for a child or spouse with a documented medical condition also do not count toward time limits.)

Illinois TANF policies offer additional support for employment and self sufficiency through a system of financial incentives known as Work Pays. Work Pays stipulates that for every \$3 of gross income clients earn, their cash grants are reduced by only \$1. Clients thus remain eligible for cash assistance until their earned income reaches three times the amount of their TANF grants. In addition, benefits received through the federal Earned Income Tax Credit (EITC) are not considered in determining eligibility for assistance. Illinois began offering a nonrefundable state EITC in 2000.

Working TANF families remain eligible for medical coverage, child care, and food stamp benefits. Those who no longer qualify for cash assistance because of increased earnings can continue receiving medical coverage for 6 months (up to 12 months if the family remains below 185 percent of poverty) and may still benefit from child care subsidies, which are available to all working families with incomes under 50 percent of the 1997 state median for their family size. Former TANF recipients may also continue to qualify for food stamps, depending on monthly income and family size.

Work First, a subsidized employment program, enrolls clients who are unable to find jobs within 12 months, or those who quit their jobs. Program participants engage in a work assignment or worklike activity provided through employers who have contracted with IDHS. Clients must perform the required work in order to receive their assistance payments.

The size of a recipient's TANF cash grant is determined by the number of eligible family members and the area of the state in which the family lives. Statewide, TANF grants average \$231 per month. Families not eligible for TANF may be able to receive cash assistance through the Family and Children Assistance program, which counties and townships administer using state funding.

Existing Community Resources and Assets

The region Future Steps serves is home to other social services providers and educational institutions. For example, Bethany Village, a volunteer-operated organization in Union County, offers domestic violence counseling, a food pantry, and other services. The Cairo-based Delta Center provides services in youth development, substance abuse treatment, outpatient mental health, and psychosocial rehabilitation. Similar assistance is available through the Family Counseling Center in Vienna. Postsecondary educational institutions in or near the area include Shawnee Community College, Southern Illinois University, Southeast Missouri State University, the Institute of Electronic Technology, and Western Kentucky Technical College.

The community's health services system consists of 10 hospitals of varying sizes, located either in or within an hour's drive of the five-county area. Community-based clinics in Cairo and Vienna also meet the health needs of local residents.

Regional economic development is encouraged through the Southernmost Illinois Delta Empowerment Zone, which incorporates Alexander, Johnson, and Pulaski counties. The organization promotes the region's economic assets to potential investors and provides tax incentives to local businesses.

Program Infrastructure

Program Administration

Future Steps operates as a collaboration between the Placement Center of Shawnee Community College and IDHS. Responsibility for day-to-day administration of the program rests with SCC, while IDHS serves as the main source of referrals and funding. For better communication and easier access to clients, Future Steps staff members and state workers are located together in local IDHS offices.

Staff Organization

Future Steps' program staff includes a director of community and career services at SCC, a program coordinator, a full-time case manager, four part-time career specialists, and a clerical assistant. The case manager and career specialists serve as the main points of contact and sources of guidance for clients. (These two positions differ mainly in terms of whether the schedule is full-time or part-time.) The director of community and career services oversees all Placement Center operations, including Future Steps, while the program coordinator conducts day-to-day management of Future Steps. Both the director and program coordinator act as supervisors for other staff members.

Key Community Partners

Some of the community organizations noted above have partnered with Future Steps, receiving clients who are referred for mental health services or other assistance. Both Bethany Village and the Delta Center collaborate with Future Steps in this way. Future Steps caseworkers also direct clients to the IDHS Office of Rehabilitation Services, which works with people with disabilities and serves the five-county area from its office in Union County. The program's main collaborator among employers is Manpower, Inc., but clients have secured jobs in numerous other places.

Program Processes

Outreach and Intake

Future Steps candidates are identified in several ways. Local IDHS staff inform eligible TANF applicants about the program during intake interviews. (IDHS staff also have reviewed existing TANF cases to identify current clients who qualify.) IDHS clients who are not TANF recipients, as well as other low-income people, also can find out about the program through the IDHS office. SCC students and others who inquire about the program at the college are referred to IDHS offices.

IDHS staff members determine the eligibility of interested clients and request that those eligible sign an information form acknowledging that they understand they will be included in the Future Steps evaluation. IDHS staff then use the evaluation's automated system to randomly assign clients into the program group or control group. Program group members are referred to Future Steps. Control group members may not participate in Future Steps but can use any other locally available program or service.

People referred to Future Steps receive a letter from a staff member to schedule an initial meeting. At this meeting, a career specialist and the client fill out documents for enrollment into the program. Clients also are asked to sign a form acknowledging that they realize that information about their cases will be shared with the IDHS office. Clients then complete an assessment using a career interest inventory tool called the Career Occupational Preference System and self-administered checklists of skills and employment barriers.

After the assessment, the client and the Future Steps staff member develop a responsibility and service plan, identifying employment goals and the activities necessary to achieve them. The client leaves this session with itemized tasks—such as applying for specific jobs or making child care arrangements—to complete before the next meeting with Future Steps staff.

Service Delivery

Clients meet the Future Steps case manager/career specialist weekly (more frequently in some cases). At each session, the Future Steps staff member assesses the client's progress toward completing previously assigned tasks and discusses next steps. Clients must complete weekly contact sheets, documenting job applications or other communication with employers.

Clients who find jobs stay in contact with the case manager/career specialist, typically through a telephone call every other week. These contacts enable Future Steps staff members to help clients obtain services necessary to sustain their employment. The case manager/career specialist also communicates with clients' employers on a regular basis to address any issues that arise while the client is working.

Client Followup

Clients graduate from Future Steps (but may continue to receive services) after working at least 30 hours per week during 90 consecutive or nonconsecutive days of employment. Achieving this goal may require as little as three months or as long as two years.

Evaluation Status

In July 2001, after receiving training from Mathematica Policy Research, Inc. (MPR), Future Steps and IDHS began enrolling participants into the evaluation sample. Enrollment has proceeded according to schedule, with approximately 7 to 10 new participants joining the sample each week. As of October 4, 2002, the sample numbered 556, with 278 people in the program group and 278 in the control group. All five counties in the Future Steps service area have participated. Enrollment totals for Alexander, Massac, Pulaski, and Union counties range from 84 to 160; Johnson County has a somewhat lower total (55). The target sample size for the Future Steps evaluation as a whole is 600. Sample enrollment is expected to exceed the target, equaling approximately 660.

MPR has created a customized management information system for Future Steps to help gather information on service delivery and, at the same time, provide records that will be useful to Future Steps staff. Developed in consultation with SCC and IDHS, the Future Steps Information System uses printed forms and an Access database to document staff contacts with clients, payments made for supportive services, and changes in client status.

ATTACHMENT B

Site Profile—The Building Nebraska Families Program

RURAL WELFARE-TO-WORK STRATEGIES DEMONSTRATION EVALUATION

Site Profile—The Building Nebraska Families Program

Program Overview and Objectives

Building Nebraska Families (BNF) is an intensive pre-employment, educational program for TANF clients in rural areas who face serious personal and family barriers and skill deficiencies. The program targets hard-to-employ clients and aims to help them develop the basic skills necessary to engage in employment activities. BNF is one of many programs of the University of Nebraska Cooperative Extension, the outreach arm of Nebraska's land grant university, which provides an educational network throughout the state to help individuals and communities address their educational needs. BNF operates in 40 of Nebraska's 93 counties, in partnership with and under contract to the Nebraska Department of Health and Human Services (NHHS). BNF educators, who are master's-level professionals, work closely with participants to develop family management and life skills and overcome barriers. Educators travel to remote places to provide weekly one-on-one mentoring and instruction, usually in participants' homes. They use research-based curricula to address self-esteem, healthy relationships, parenting, goal setting, problem solving, money management, communication skills, and other topics. The program's individualized course of study is based on the participant's needs and the self-sufficiency plan developed with the participant's NHHS case manager. Educators endeavor to help participants develop life skills and address barriers, enabling them to participate in volunteer and other opportunities, secure and maintain employment, and progress toward economic independence.

Program Model and Strategies

Target Population and Enrollment Goals

BNF serves Employment First participants who live in one of the rural areas the program targets and who have not fulfilled their plans for self sufficiency or have not found or sustained employment through regular EF activities. To be eligible for referral to the program, a person must meet four criteria: (1) be an active EF case, or have received a first or second sanction, or be at the end of a third sanction period; (2) be willing to enter BNF; (3) have attempted or been considered for less intensive programs; and (4) face multiple challenges, such as a poor family or individual work history and habits, limited education, or difficulties with parental roles and daily structure. TANF clients who are exempt from work rules (for reasons such as a serious injury or illness, incapacity due to a physical or mental impairment, or domestic violence) may volunteer for the program after case managers inform them about it. BNF intends to enroll 300 participants between April 2002 and March 2004. The maximum number of active cases in any given month during this period is expected to be 120 to 150.

Key Program Components

BNF uses education, usually in one-on-one settings, to promote behavioral change among participants and improve their ability to manage family and personal resources. The program's goal is to help participants transition from welfare to work and move toward self-sufficiency

through enhanced life management skills. BNF educational activities are intended to complement the work-related activities that participants undertake through EF.

BNF educators teach participants new skills using prepared lessons drawn from research-based curricula. Lessons cover such topics as building self-esteem, decision making, problem solving, goal setting, anger management, parenting, healthy relationships, time management, financial management, nutrition, and communication skills. The topics that participants study depend on their individual needs. Each lesson plan includes an outline, an activity, handouts, and assignments to be completed by participants. Lessons on a specific topic may span up to six weeks.

Educators use “success markers,” which specify behaviors that the program seeks to encourage, to track participants’ progress. The markers are divided into three tiers corresponding to the perceived likelihood and difficulty of achieving them: (1) basic tasks such as keeping appointments and coming prepared to lessons; (2) higher-level activities such as setting short-term goals and practicing new skills; and (3) accomplishments, such as maintaining employment and serving as a mentor for others. Educators use a four-point scale to indicate how frequently participants show each behavior.

Educators also help participants draw on community resources that can offer additional assistance. They work closely with participants’ NHHS case managers to ensure that needed supportive services are provided and, as appropriate, use community linkages to identify and develop volunteer opportunities for participants.

After participants find jobs, educators continue to meet with them as needed for up to six months to provide post-employment support. Participants remain in the program for varying lengths of time, some as long as two years.

Geographic and Economic Context

Once the BNF program is fully staffed, educators will work with participants in 40 rural counties distributed throughout the state. As of April 2002, many BNF participants lived in or near the communities of North Platte, Grand Island, Kearney, Hastings, Columbus, and Beatrice, but the majority lived in other, more remote areas.

Almost half of Nebraska’s 1.7 million people live in rural places, according to data from the U.S. Census Bureau. These areas are largely homogeneous in racial and ethnic composition; nearly all residents are white. However, some communities have experienced a recent influx of refugees, other immigrants, and migrant workers. Families from Mexico, Central America, Vietnam, Eastern Europe, and the Middle East have settled in Nebraska and become part of the workforce and Employment First program in some locations.

Much of the state’s economy revolves around agriculture and related services. Other major industries include meat processing, machinery, electric equipment, and printing. A recent survey of TANF clients in Nebraska indicates that typical job opportunities for this group are in service fields such as health care or food service, or in clerical or other administrative support positions.

While Nebraska as a whole has enjoyed relatively low unemployment and poverty, many of the state's rural areas face significant economic challenges. The statewide unemployment rate was 3.4 percent as of January 2002, according to the U.S. Department of Labor, well below the national rate of 5.5 percent. In three-fifths of the counties that BNF serves, however, unemployment rates were above the statewide figure. According to estimates from the U.S. Census Bureau, about 1 in 10 Nebraskans lives in poverty, but poverty rates in most BNF counties are higher.

Policy and Program Environment

State and Local TANF and WtW Structure

Nebraska's welfare reform program, Employment First, seeks to provide TANF recipients with employment-related opportunities and supportive services to help them develop personal and vocational skills, address challenges, and transition to employment within a two-year period. Instead of emphasizing participants' immediate entry into the labor market, EF uses a human capital investment model of service delivery. The program reviews participants' interests and needs and connects them with an individualized mix of opportunities and services.

Nebraska operates a state-administered welfare system but decentralizes responsibility for organizing resources and delivering services to its three regional, and more than 65 local, NHHS offices. The TANF program follows a common model statewide. This model has five key features, applicable to all EF participants, including those referred to the BNF program:

1. ***Individualized case management***, including a comprehensive, strength-based assessment, the development of a self-sufficiency plan, and referrals to employment-related activities and supportive services. In some NHHS offices specialized case managers work only with EF participants and carry caseloads of 75 to 90. In other locations case managers work with clients of all NHHS programs and have caseloads of 150 to 200, but a relatively small number of these cases are EF participants.
2. ***Mandatory participation in employment preparation activities***, with up to 24 months of education and training. Most EF participants receive job search assistance, but other education and skill-building activities are also available to participants.
3. ***A mix of supportive services and policies***, such as help with child care, transportation, and health care; counseling and family support services; earned income disregards; and payments for clothing and work-related supplies. Transitional child care and medical benefits are available for up to 2 years, and supportive service payments for up to 6 months, after participants are no longer eligible for cash assistance.
4. ***Sanctions for nonparticipation***, including a one-month penalty for the first sanction, 3 months for the second, and 12 months for the third. Sanctions

result in the complete loss of cash assistance for the family. Adults also lose Medicaid coverage, but children retain medical and food stamps benefits.

5. *A two-year time limit on spells of cash assistance.* Consistent with federal TANF policy, Nebraska has a five-year lifetime limit on TANF receipt for nonexempt clients; however, it limits families' TANF receipt to 24 months in a continuous 48-month period.

NHHS case managers may refer EF participants who live in rural areas and need help with life skills to the BNF program. BNF participants are still required to work or take part in an employment-related activity, however. Like other EF participants, BNF participants might engage in job search, work experience, GED preparation, or other education or vocational training. Moreover, like other EF participants, BNF participants often meet regularly with their NHHS case managers.

A sizeable minority of EF participants live in rural areas and are thus eligible for the BNF program. According to data from NHHS, Nebraska's family caseload as of March 2002 was 11,538, with about two-fifths of these families living in rural areas. Overall, rural clients in Nebraska depend less than their urban counterparts on cash assistance. For example, state administrative records data for a cross-section of clients show that the average rural client received cash assistance for 29 months between 1992 and 2000, compared with 43 months for the average urban client.

Nebraska's welfare caseload has declined less than the national average, but a higher than average fraction of the state's TANF clients work or participate in work activities. Between 1993 and 2000, welfare rolls dropped 39 percent in Nebraska and 56 percent nationwide. TANF participation estimates compiled by ACF show that 63 percent of Nebraska's TANF caseload was either working or participating in employment activities during fiscal year 1999, well above the national average of 42 percent.

Existing Community Resources and Assets

Private organizations throughout Nebraska provide services to TANF clients and other low-income people, often as contractors to NHHS. Concera Corporation (formerly called Curtis and Associates) and Central Nebraska Goodwill Industries provide employment preparation services, such as job search assistance and job readiness training, for clients in most parts of the state. They and other contractors also provide case management services to portions of the state's urban caseload. Contractors offer orientation and assessment services to EF participants in some rural areas, and Concera Corporation recently began providing all case management services to EF participants in the southeast corner of the state.

Workforce Investment Act (WIA) providers in many places offer vocational assessment services and education and training opportunities, such as work experience and on-the-job training. The extent of service coordination between NHHS and WIA providers varies from place to place. In some locations, NHHS makes few referrals to these organizations. In the central part of the state, however, NHHS and the WIA provider recently collaborated to implement a pilot One-Stop Center.

Other organizations work with local NHHS offices on a less formal basis to help meet the employment-related needs of TANF clients. These organizations include community colleges, adult education agencies, and Vocational Rehabilitation. Partnerships between NHHS and community service providers are used to make specialized supportive services available to clients. For example, the Nebraska Domestic Violence/Sexual Assault Coalition, a statewide network, trains NHHS staff on domestic violence issues and recently helped develop a domestic violence screening tool for use with TANF clients. An affiliate of the Coalition has a domestic violence counselor co-located in the Columbus NHHS office, providing support to clients affected by family violence situations.

Nine community action agencies also operate in Nebraska, with a combined service area covering all of the state's counties. These organizations offer a wide range of assistance to local families, including services that focus on employment, health, housing, and nutrition. For example, the Mid-Nebraska Community Action Agency runs a food bank, Head Start, a revolving loan fund for small business development, and other programs in 27 counties in the central and southern regions of the state.

Program Infrastructure

Program Administration

BNF operates as a program of the University of Nebraska Cooperative Extension, a division of the university's Institute of Agriculture and Natural Resources. Cooperative Extension delivers practical education to Nebraskans through field offices in 83 counties and through technologies, such as the Internet and satellite conferencing, suited to distance learning. Its programs focus on several issue areas: agricultural profitability and sustainability; children, youth, and families; community and leadership development; food safety, health, and wellness; and natural resources and the environment.

The University of Nebraska Cooperative Extension operates BNF under contract to NHHS. NHHS provides funding and referrals to BNF and appoints representatives from NHHS service areas to the statewide BNF advisory committee. Local NHHS offices identify and refer appropriate TANF clients to the BNF program and monitor their progress.

Staff Organization

The BNF staff includes a program director and program coordinator, who focus on curriculum development and program management, and extension educators, each of whom works with participants in three to six counties. In May 2002, 7 educators worked with the program; three more educators started working in June 2002, for a total of 10 educators. Each educator maintains a caseload of 11 to 15 families. The program coordinator performs day-to-day management activities, supervises the educators, trains new educators, and conducts training and technical assistance sessions for all educators every 3 months or more frequently, as needed.

Key Community Partners

One of BNF's core objectives is to identify and help participants access needed resources and opportunities in their communities. Toward this end, BNF collaborates with a variety of organizations and programs. In Columbus, for example, the program has links to Professional Partners, an organization that supports families coping with mental health and other personal issues; Head Start; the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); and the Columbus Collaborative Team, a group of agencies working to address needs related to youth and family, parenting, and child care. BNF's specific partners vary across communities, as staff members use community asset mapping to identify resources and opportunities for participants in each location. Staff members also try to coordinate closely with the local NHHS offices and case managers in each BNF target area.

Program Processes

Outreach and Intake

Local BNF educators and NHHS case managers coordinate with each other to refer and enroll new participants into the program. When likely or current openings arise, educators alert NHHS case managers in their areas. As NHHS case managers interact with clients, they note those EF participants who appear to need the kinds of help BNF offers. They also provide information about BNF to exempt clients who might be interested in volunteering for the program.

When referrals are needed to fill open BNF slots, NHHS case managers meet with clients they consider good prospects, determine whether the clients meet the program's criteria and are interested in it, and, if appropriate, administer the information/consent form for the evaluation. BNF educators perform random assignment for clients who agree to participate. The educator contacts clients assigned to the program group by telephone, home visit, or mail to initiate program activities.

At their initial meeting, BNF educators describe the program to participants and fill out the enrollment form with them. Educators then ask participants to complete a program entry checklist, which asks for responses to 20 statements—for example, “I feel positive about my life” and “I keep a record of how I spend my money.” Participants use a five-point scale to indicate on the checklist how often they do or feel what the statements say. (Participants who complete BNF fill out the same checklist when they exit the program.) In the initial and subsequent meetings, educators and participants work together to develop an educational plan and identify personal goals that will lead to improved life skills and economic independence.

Service Delivery

BNF educators meet with participants once a week, often in participants' homes, for lessons on life skills and family resource management. Once a month, to track participants' progress, educators rate their completion of success markers.

As they work with participants, educators make referrals to other service providers as needed and encourage interested participants to volunteer with community organizations. Educators frequently contact NHHS case managers, providing them with teaching records, updates on participants' goals and accomplishments, and information related to participants' work-related service needs, such as transportation and child care. Educators periodically conduct sessions on life skills as part of regular EF program activities.

Client Follow-up

Participants complete their BNF educational plans by meeting the goals established by NHHS and BNF and by demonstrating improvement as measured by the success markers. They continue to participate in program activities until they are no longer receiving a TANF grant or no longer need the program. Once participants are employed, educators provide regular, but less frequent, follow-up support, as needed, for up to six months.

Evaluation Status

Sample enrollment for the evaluation began in late March 2002, after BNF and NHHS staff received training on enrollment procedures from Mathematica Policy Research, Inc. (MPR). MPR conducted follow-up training and technical assistance to ensure that BNF and NHHS staff were comfortable with evaluation procedures. As of October 4, 2002, the sample numbered 150, with 81 people in the program group and 69 in the control group. Enrollment will continue through March 2004, or until the target sample of 600 is reached.

MPR has developed a database, the BNF Information System (BNFIS), to systematically record information on service delivery and enable BNF staff to maintain records on participants. Designed in consultation with BNF staff, the BNFIS uses printed forms and Access database software to document participants' contact and demographic information, their initial and followup responses to statements on the program checklist, the content of teaching sessions and other contacts with participants, and success marker ratings.

ATTACHMENT C

Site Profile—The Tennessee First Wheels Program

RURAL WELFARE-TO-WORK STRATEGIES DEMONSTRATION EVALUATION

Site Profile—The Tennessee First Wheels Program

Program Overview and Objectives

First Wheels provides interest-free car loans to low-income families in Tennessee who need transportation to get to work and improve their quality of life. The Tennessee Department of Human Services (TDHS) and the Tennessee Resource Conservation and Development Council (RC&D) operate the program in collaboration. TDHS coordinates the loan application process, while RC&D purchases vehicles and manages individual loans under a contract with TDHS. The primary goal of First Wheels is to help low-income families overcome a lack of reliable, affordable transportation—a common barrier to employment and self-sufficiency. First Wheels also offers families an opportunity to gain experience managing household finances and to develop a good credit history. Loans are funded through a revolving pool, so that payments received on current loans provide resources for future lending.

Program Model and Strategies

Target Population and Enrollment Goals

First Wheels helps working families who are current or former clients of TDHS. To be eligible to apply for a loan, a person must (1) be a parent or caretaker in a current or former Families First case, a food stamp recipient with a child under age 18, or a recipient of TDHS financial assistance for child care; (2) be employed; (3) have a demonstrated, employment-related transportation need and be interested in obtaining a loan from First Wheels; (4) have a driver's safety record with no charges for driving under the influence of drugs or alcohol during the past 24 months; and (5) have no current or outstanding car loan.¹

Although First Wheels operates throughout Tennessee, only clients living in one of TDHS's four rural districts will be targeted for the demonstration evaluation. (There are eight TDHS districts in all.) The four target districts include 91 of the state's 95 counties. First Wheels aims to encourage approximately 4,400 people living in rural areas to begin the loan application process during an 18-month period starting October 2002. Half of this group is expected to meet the program's initial eligibility criteria. Of those who meet initial eligibility criteria, 60 percent (1,320 people) will be assigned to the evaluation's program group and have the opportunity to continue the application process. Based on prior program experience, the estimated number of car loans awarded will be 725.

Key Program Components

In addition to lending clients the money they need to purchase cars, the First Wheels program guides clients through the steps involved in acquiring and owning a vehicle, from

¹Families First is Tennessee's Temporary Assistance for Needy Families (TANF) program. Former Families First cases are those that stopped receiving benefits within the past 18 months for reasons other than a sanction.

preparing a loan application to performing routine maintenance and repairs. TDHS clients interested in receiving a loan begin a three-part application process. They first establish their basic eligibility for the program as an employed recipient of TDHS services with a safe driving record. Eligible clients then take basic classes on household financial management and vehicle maintenance. With the help of a TDHS caseworker, they document their ability to make monthly loan payments, buy automobile insurance, and pay for regular vehicle maintenance. Clients who successfully complete these steps appear before a local volunteer loan committee, which asks them about their work and household finances and decides whether to approve the loan.

After their loans are approved, clients become First Wheels customers and work with local program managers to identify and purchase suitable vehicles. The RC&D program managers ensure that vehicles meet requirements for safety and price, then facilitate the completion of purchase agreements and other paperwork for the loans. Approved loan customers repay their loans through monthly installments sent to RC&D. The amount and term of the loan depend on the customer's income and the price, condition, and effective life of the vehicle being purchased. To facilitate payment of the loan, customers receive a set of monthly payment coupons. Program managers monitor customers' payments and vehicle maintenance for the duration of the loan.

While First Wheels staff members provide guidance for car purchases and monitor the loans, the program's customers have financial responsibility for the vehicles. In addition to making loan payments, customers must cover the costs of car maintenance, insurance, taxes, and registration and inspection fees. They must also pay for repairs, if needed. The client may request to have insurance and other up-front costs included in the loan, so that they can be paid over time.

Geographic and Economic Context

The TDHS districts included in the First Wheels demonstration evaluation cover the entire state of Tennessee, except for four urban counties (Davidson, Hamilton, Knox, and Shelby). According to the U.S. Census Bureau, about 2.2 million people (two-fifths of the state's population) live within the evaluation area.

Rural Tennessee has a more racially and ethnically homogeneous population than the state as a whole. Nine of 10 people living in TDHS's four rural districts are white, compared to 8 of 10 statewide. African Americans, the next largest group, make up about 7 percent of the population in rural districts but more than 16 percent statewide. Although members of other minority groups represent a small portion of Tennessee's residents, a large number of Hispanic immigrants have moved into some rural counties in the middle and eastern parts of the state in recent years.

Economic indicators for Tennessee's rural areas also reveal differences from the statewide picture. According to data from the U.S. Bureau of Labor Statistics and the Tennessee Department of Labor and Workforce Development, Tennessee's unemployment rate in March 2002 was 5.6 percent, but it was higher in nonmetropolitan areas, reaching 7.8 percent. The median household income in rural areas is about \$25,000, substantially below the statewide median of \$36,000. The census estimates that 13.5 percent of Tennessee's population lived in

poverty in 1999; on this measure, rural areas did not differ substantially from the state as a whole.

Policy and Program Environment

State and Local TANF and WtW Structure

Families First aims to strengthen families, improve the state's workforce, and reduce poverty and welfare dependence. It attempts to accomplish these goals through requirements for work and responsible parenting, education and training opportunities, and coordinated benefits and supportive services. The state supervises and administers the program, which serves clients through TDHS offices in each county. The program began in September 1996 and operates under a federal waiver, effective until 2007.

While Tennessee's public assistance caseload dropped substantially after the implementation of welfare reform, the number of recipients has grown since early 2001. As of March 2002, the Families First family caseload was 62,683. About 40 percent of these families live in rural areas. Data from the Administration for Children and Families indicate that the number of Tennessee families receiving TANF cash assistance declined by 55 percent between January 1996 and June 2000, slightly more than the national average. Between January 2001 and March 2002, however, the caseload grew by 6.6 percent, according to an analysis by the Center for Law and Social Policy. In addition, figures from the U.S. Department of Agriculture show a recent increase in food stamp participation: nearly 17 percent between January 2001 and January 2002.

Parents and caretakers who receive cash assistance through Families First must work with a TDHS case manager to complete a personal responsibility plan and then participate in work activities for 40 hours a week. These activities may include full- or part-time employment, job search, community service programs, GED, or postsecondary education directly related to employment. People who are disabled, are age 60 or older, or who provide care for a disabled relative are exempt from work requirements. Unlike many other states, Tennessee also provides an exemption for clients who score below the ninth-grade level on standardized tests for reading and math. These people may choose to fulfill a reduced work requirement of 20 hours per week through Adult Basic Education (ABE) until their scores improve beyond the ninth-grade level. In addition, time limits on cash assistance do not apply while they are enrolled in ABE. (Clients with low scores who choose not to enter ABE are subject to the standard work requirement and time limits.)

The lifetime eligibility limit for nonexempt Families First clients is 60 months—the same as the federal requirement. However, families may not receive cash assistance for more than 18 months (whether continuous or not) without leaving the program for at least 3 months. Caseworkers may impose sanctions on clients who do not fulfill provisions of their personal responsibility plans. Failure to cooperate with work or child support requirements results in loss of benefits for the entire family. Each sanction for noncompliance with family functioning provisions (such as children's school attendance or immunization) causes a 20 percent reduction in benefits.

Families receiving cash assistance may be eligible for a number of other services. Clients participating in work activities receive financial assistance for child care. Medicaid covers all

members of Families First cases; parents or caretakers can receive additional benefits for dental and vision care. Subsidized child care and transitional Medicaid are available for up to 18 months for families that leave the program. Families First case managers also may refer clients to free counseling services to address barriers such as domestic violence, substance abuse, and mental health problems. In some counties, Individual Development Accounts help clients accumulate savings for career development, home ownership, and other approved purposes.

In addition to the assistance the First Wheels program provides, Families First clients may receive various other transportation benefits. If clients can provide their own transportation to program activities, Families First will pay up to \$800 per year for car repairs, plus fees for vehicle license and registration, emission testing, or obtaining or renewing a driver's license. Other transportation supports include reimbursement for daily expenses (up to \$6 per day), mass transit passes, gas vouchers, and contracted van or taxi services. Clients who leave Families First with earnings can continue their transportation benefits for up to two months or receive a lump-sum payment equal to two months of their daily reimbursement.

To provide further incentive for clients to achieve self-sufficiency, Families First offers bonuses to clients who complete elements of their personal responsibility plans. Clients receive cash awards for accomplishments such as improving their scores on standardized reading and math tests beyond the ninth-grade level, passing the GED, becoming employed, leaving Families First due to earnings, or keeping a job after exiting the program. Awards of approximately \$100 to \$500 are offered for each achievement.

Existing Community Resources and Assets

Families First councils at the state and county level facilitate community stakeholders' participation in the program. Each council includes representatives of employers (who must make up a majority of the membership), a community advocate, a representative of a religious group, and a local TDHS administrator. Councils help garner local input on program policies and administration and create links with businesses that may offer employment opportunities to Families First clients.

TDHS contracts with several state and community organizations to provide services to its clients. Among these organizations are six of Tennessee's human resource agencies—regional nonprofits that deliver social services in rural areas, covering as many as 15 counties. In addition, community colleges and nonprofit workforce development organizations deliver assessment services, job training and placement, and life skills education.

Tennessee's rural public transportation infrastructure consists of 11 providers: human resource agencies, county transportation authorities, and a community development district. These organizations generally offer on-demand van services and coordinate with local TDHS offices to help Families First clients. The providers' combined service area covers all rural counties in the state.

First Wheels Program Infrastructure

Program Administration

TDHS and RC&D share administrative responsibility for First Wheels. TDHS oversees the outreach and application phases of the program, while RC&D manages vehicle acquisition and loan monitoring as a contractor to TDHS. TDHS provides all funding for the program.

RC&D is a nonprofit organization that promotes the protection and use of natural resources to improve the local environment, economy, and living standards. Through a state council and 10 local councils located throughout the state, RC&D coordinates such initiatives as enterprise communities, environmental education, and AmeriCorps volunteer programs. Tennessee's state and local RC&D councils are affiliates of a nationwide program administered by the U.S. Department of Agriculture (USDA), which designates RC&D areas and provides funding and technical assistance through its National Resource Conservation Service. Most Tennessee RC&D staff members are volunteers, although each local council has a coordinator who is an employee of the USDA. A volunteer president and board of directors run the state RC&D council. First Wheels program staff members are the state council's only paid employees.

Staff Organization

The staff in TDHS's Division of Adult and Family Services establishes eligibility requirements and application procedures for the First Wheels program based on TDHS policy. At the local level, caseworkers in TDHS offices guide clients through the initial phases of the application process. A First Wheels central eligibility determination worker, hired by RC&D to help implement the program evaluation, helps caseworkers by verifying information that applicants submit and coordinating the process.

The RC&D First Wheels state director creates procedures for placing vehicles and monitoring loans, supervises program staff, and tracks loan approvals and payment activity. Seven local program managers serve as the primary contact for customers after their loans are approved. Program managers locate and purchase cars for customers, help them insure and register their vehicles, and follow up with customers as necessary so that they make regular payments and maintain their vehicles. First Wheels contracts with a local RC&D council for statewide accounting and bookkeeping services. The contractor receives loan payments from customers and provides payment reports to the program's local and state staff.

Key Community Partners

First Wheels program managers try to develop networks of local partners who can help them provide services to customers. These partners may include private car dealerships, mechanics, or insurers whom program managers have found to be especially dependable and who are inclined to work with low-income families.

First Wheels Program Processes

Outreach and Intake

Outreach to possible candidates for First Wheels occurs in several ways. Local TDHS caseworkers inform their clients about the program during case reviews or application interviews. Brochures and posters describing the program are available at local TDHS offices and other places where potential candidates receive services, such as career centers and adult education classrooms. Staff members at Families First community partner agencies, such as child care brokers, public housing authorities, and county health departments, may tell potential applicants about First Wheels. An increased effort to actively market First Wheels, as part of the demonstration evaluation, will help ensure widespread awareness of the program and maximize the chances of achieving the target sample size and using available program resources.

TDHS caseworkers meet face-to-face with potential First Wheels applicants at the start of the application process to explain the program and eligibility criteria. Clients who wish to apply must submit a driver's safety report from the Tennessee Department of Safety and an application form. TDHS caseworkers review these documents to confirm that the applicant's driving record includes no DUI/DWI charges. They forward applications that meet this standard to the First Wheels central eligibility determination worker, who verifies that applicants satisfy basic program eligibility requirements. The central worker performs random assignment for eligible applicants. Clients assigned to the program group proceed to the next phase of the application process (described below). For clients assigned to the control group, the application process ends here. Control group members, like program group members, may access any other available transportation services for which they are eligible.

Service Delivery

Applicants who meet program eligibility criteria and are assigned to the evaluation's program group begin Part II of the application process. At this point, TDHS caseworkers refer applicants to authorized financial management and vehicle maintenance classes (if they have not already taken these classes while participating in Families First activities). Clients must verify that they have completed these courses and develop a household budget that indicates their current monthly expenses and anticipated costs for vehicle ownership. TDHS caseworkers, the central eligibility determination worker, and First Wheels program managers may help the applicant prepare a budget and meet other requirements.

TDHS caseworkers submit clients' Part II application packages to the central eligibility determination worker, who reviews them for completeness and verifies that clients have fulfilled the additional eligibility requirements. Application packages that meet all requirements are forwarded to TDHS district offices, which perform an additional review and send approved applications to the local loan committees. In Part III of the process, the local loan committee—made up of one RC&D council member, one Families First representative (often a member of the local Families First council), and one other interested citizen—meets to make a final decision regarding the loan. Applicants attend the loan committee meetings, along with advocates they select and caseworkers or other TDHS representatives. The loan committee determines the value of the First Wheels loan (up to a maximum of \$4,600) and its term (no more than 36 months).

As soon as a First Wheels loan is approved, the RC&D program manager meets with the customer to discuss his or her needs and begins the process of locating and purchasing a car. First Wheels acquires most cars through the state vehicle pool, private dealers, and wholesalers. (A small number of cars are donated.) The average price of a car purchased through the program is \$2,500. A customer may find a suitable vehicle independently but cannot buy it without the approval of the program manager and state director, who ensure that a mechanic inspects the car and that it is in safe operating condition. The program manager and the customer complete purchase and loan agreements, which specify the amount of each installment payment and the customer's responsibility for carrying insurance and maintaining the vehicle.

Client Followup

First Wheels program managers track each customer's loan payments, sending reminder notices if payments are late or missed. Customers also receive maintenance reminders and must submit receipts every three months to verify that they have performed routine maintenance such as oil changes. If the customer consistently fails to make payments or fulfill other program requirements, the program manager will request that the customer return the vehicle voluntarily or will take steps to repossess it. (The return or repossession of a vehicle occurs in less than 10 percent of all loans.) When customers' vehicles need repairs, program managers can help them find a qualified and affordable mechanic, but customers must cover the costs themselves. Program managers can help eligible Families First clients obtain financial assistance for repairs. If the cost of a needed repair is more than the customer can afford immediately, a member of the local loan committee may approve an increase in the loan amount so that the vehicle can be repaired and the customer can pay the cost over time. Once customers make all of the installment payments on their loans, RC&D transfers full ownership of their vehicles to them.

Evaluation Status

Sample enrollment for the First Wheels evaluation is expected to begin in October 2002 and continue through March 2004, or until the target sample size of 2,200 is reached. Mathematica Policy Research, Inc. has developed the First Wheels Applicant Tracking Information System (FWATIS) to help implement the demonstration evaluation. The central eligibility determination worker will use this database to collect information on each applicant and track application approvals and denials. RC&D staff will collect data on loans—including the amount and terms, the type of vehicle purchased, and repayment activity—in a separate First Wheels program participant database.