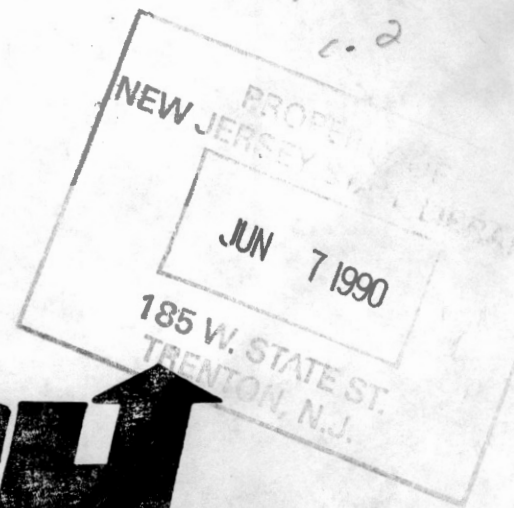


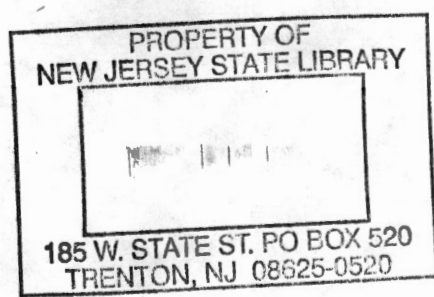


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REACH

Two Year Report to the New Jersey Legislature



Jim Florio, Governor
State of New Jersey



Alan J. Gibbs, Commissioner
Department of Human Services



State of New Jersey
DEPARTMENT OF HUMAN SERVICES

ALAN J GIBBS
Commissioner

CAPITAL PLACE ONE
222 SOUTH WARREN STREET
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May 11, 1990

Honorable Laurence S. Weiss
Chairman, Senate Appropriations Committee

Honorable John S. Watson
Chairman, Assembly Appropriations Committee

State House Annex, CN 068
Trenton, New Jersey 08625-068

Dear Senator Weiss and Assemblyman Watson:

I am pleased to provide you with the Two-Year Report on the Realizing Economic Achievement (REACH) program required under P.L. 1987, c. 282 the initial legislation establishing welfare reform in New Jersey. This report has also been submitted to Governor Florio.

This report is divided into three sections:

- Section one outlines the specific requirements of the REACH legislation and delineates how this Department, and other Departments of State Government, responded to these mandates. The information contained in this document covers the period October 1, 1987 to December 31, 1989.
- Section two identifies those areas that have been identified as requiring additional attention during the next year.
- Section three outlines some emerging issues for welfare reform as we move from our state demonstration to the Jobs Opportunity and Basic Skills (JOBS) program mandated by the federal Family Support Act.

Honorable Laurence S. Weiss

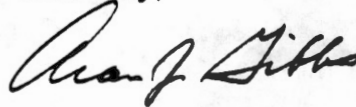
Honorable John S. Watson

May 11, 1990

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New Jersey's ability to implement the program required the efforts of provider agencies throughout the twenty-one counties, including the Job Training Partnership Act (JTPA) and Private Industry Councils, the State Employment Service, community-based non-profit organizations, county welfare agencies and other branches of county government, local adult basic education providers, the community colleges, and the child care community. I would like to personally thank and commend the hundreds of professionals in these service areas who have put in countless hours toward making the REACH program work in their communities.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alan J. Gibbs".

Alan J. Gibbs
Commissioner

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Preface

On October 8, 1987, an act establishing the **REACH, Realizing Economic Achievement** Program in the New Jersey Department of Human Services was signed into law. Known as "The REACH Program Act", P.L. 1987, c. 282 was introduced in the Assembly by Assemblymen Harold Colburn (Burlington) and Gary Stuhltrager (Cumberland/Gloucester), and in the Senate by Senators Catherine Costa (Burlington/Camden) and James Hurley (Cape May/Cumberland.)

REACH was designed to change the way public assistance operates in New Jersey, both for the AFDC participant and for state and local government. As cited in Section 2 of the Act, the Legislature agreed:

That providing the means and opportunity for recipients of public assistance to enter the economic mainstream and to realize economic achievement is both a morally right and economically sound investment in the future of our economy, our labor force and our children:

that our current welfare system does not do enough to help its recipients become economically self-sufficient even though most people who receive public assistance would rather work or prepare for work than remain indefinitely trapped in the oppressive cycle of welfare dependency;

that in this time of increasing international economic competition, the productivity of every worker and potential worker is an important concern for all Americans;

that our citizenry has always placed great value on work and self-reliance; and

that this State should provide the relevant education, training, employment and supportive services necessary to enable public assistance recipients to realize economic achievement and thereby become self-sufficient.

The New Jersey Legislature gave support to the REACH program through this enabling legislation, and through companion legislation (P.L. 1987, c. 283, sponsored by Senator Van Wagner and Assemblyman Deverin) which extended Medicaid benefits for one year for any recipient of Aid to Families with Dependent Children (AFDC) who receives a job and leaves the welfare rolls. Passage of the REACH Program Act gave REACH legislative authority and support. In doing so it demonstrated a close working relationship between the Legislature, the Governor's Office, and the Department of Human Services. By establishing REACH statewide the Legislature provided a real opportunity for families in poverty to leave public assistance and enter the work force.

This Two-Year report, required by law as part of the Department of Human Services' overall responsibility to establish, manage and monitor the REACH program, provides information on action taken to date to effectively meet the program's objectives as established in the statute. All materials (such as the REACH statute and program regulations) as well as source documents related to programmatic and financial statistics referenced in this report are available upon request from the Department of Human Services. The report format follows and paraphrases the main requirements of REACH as written in P.L. 1987, c. 282, followed by the current status and progress of each statutory requirements.

Meeting the Requirements of the REACH Program Act

- I. ***The commissioner of Human Services, in consultation with the commissioners of Labor, Education, Community Affairs, and Commerce and Economic Development, and the Chancellor of Higher Education, was required to establish the REACH program in the Division of Economic Assistance (formerly known as the Division of Public Welfare) in the Department of Human Services. The purpose was one of "enabling recipients of AFDC to realize economic achievement through a range of education, training, employment and supportive services, while also focusing on the prevention of long-term dependency for young mothers who are recipients of AFDC."***

In late 1986, a structure was established within the Department of Human Services (DHS) to manage the planning, implementation and subsequent statewide operations of the REACH program. From the start, the department relied on the close cooperation and leadership of other state agencies and departments to make REACH operational. Over the past two years, these entities, and their local counterparts, have provided considerable input into REACH policy, and have initiated important projects and expansions to further the goals of the program.

Initial and ongoing coordination between state agencies and local state systems has enabled REACH to access needed expertise, to avoid duplication of services, and to assure that welfare recipients received the necessary services for which they are eligible. A paramount goal for DHS is to continue to promote leadership and coordination among state agencies working with the REACH program. Significant areas of collaboration and specific initiatives which have been accomplished with these agencies and departments include:

Department of Labor: DOL is the major source of employment and training services for economically disadvantaged men and women in New Jersey. Its ***Division of Employment and Training*** oversees the statewide employment training system established under the federal Job Training Partnership Act (JTPA) and the New Jersey Job Training Program. Under the supervision of the Division, local Service Delivery Areas (SDAs) have been using federal JTPA dollars as the primary resource to provide employment and training services for REACH participants; JTPA supplemental dollars funded through the state REACH budget have provided additional monies to expand these vital training activities and to provide enhancements to the existing JTPA services.

A positive and cooperative working relationship between the human services community and the employment and training community in New Jersey is fundamental to REACH. At the local level, the Private Industry Council chairperson or Service Delivery Area Director is a co-chairperson of the

REACH Planning Committee. Most importantly, each county calls upon the JTPA system to provide a range of services - from vocational assessment to job skills training to direct job placement - for REACH participants. The JTPA system has served to broker needed skills training and has provided a low-cost way for local REACH managers to serve participants. Cooperation and collaboration at the state and local level has provided welfare agencies with access to a system that has important linkages to the employer community.

The department's *Division of Employment Services* provides job search, placement and development services statewide, in addition to administering such activities as work supplementation. In fourteen counties, the Employment Services has been tapped to provide additional job search programs to REACH participants; and in five counties Employment Services is being used to provide a formal assessment of REACH participants' vocational and/or educational aptitudes to help them in their decision-making on employment goals. Finally, two important projects initiated by Employment Services have helped counties provide better employment opportunities to REACH participants; these are the Early Employment Initiative and the Positive Recruitment Project.

The Early Employment Initiative identifies job opportunities for participants as early as possible in the REACH process. Each project is tailored to meet local program needs, at no cost to the counties, using state Employment Services workers. For instance, a worker may be stationed at a REACH office to assist a case manager in determining job readiness or to conduct job development, referral and placement services for job-ready REACH participants. Early Employment Initiatives are currently in operation in eleven counties and have provided assistance to 1,228 participants.

The Positive Recruitment Project coordinates the efforts of DOL and DHS when employment inquiries and job offers from specific local employers are received. The project provides a single point of contact for employers interested in hiring REACH participants. Project staff respond to inquiries, arrange meetings between employers and REACH participants and follow-up with job orders. Companies which have participated in the project to date have included the Marriott Corporation, New Jersey Bell, Wells Fargo, Citicorp, the Port Authority of New York and New Jersey and AT&T.

Department of Education: DOE oversees primary and secondary education (grades K-12), federally-funded Carl Perkins Vocational Education Act programs, and adult and continuing education programs including remedial education, literacy training, high school equivalency training, and English as a Second Language (ESL) instruction.

During the past two years, local representatives from the department's *Division of Adult Education* have worked closely with REACH county

planning committees to identify and integrate basic and remedial education programs operating in the community. Through Division funded programs, more than 2,500 AFDC adults attended programs for basic skills instruction.

Additionally, in SFY1989 the DOE was able to provide \$1.3 million to thirteen REACH counties to meet the increased educational service demands. While these funds were made available for one year only, they paid for services such as ESL and adult basic education classes, identified by local REACH planning committees, to help participants prepare for training and employment.

Department of Higher Education: DHE oversees secondary educational activities and institutions in New Jersey, including community colleges, four-year colleges, universities and technical institutes. Under REACH the department provides specialized occupational training programs at community colleges; in ten counties community colleges perform vocational and/or educational assessments for local REACH offices. In Camden, the community college is the provider for all case management services to its REACH participants - a first in the state. The department has also provided technical assistance to the REACH program to help participants take advantage of tuition aid programs such as Tuition Assistance Grants (TAG) and Economic Opportunity Fund (EOF) grants.

Through a coordinated effort with the department's EOF office and the state's participating four-year colleges and universities, the REACH/EOF Work Study Scholarship Program is in final stages of development. This program, scheduled to be operational in the fall of 1990, will make available - to up to 100 of the most motivated and promising REACH participants - the opportunity to earn a baccalaureate degree at one of New Jersey's schools in fields currently in demand in the state's labor market.

Department of Transportation/New Jersey Transit: Within DOT, New Jersey Transit operates public transportation systems across the state. In collaboration with DHS, DOT has devised a transportation component to further complete the range of opportunities and supports offered REACH participants. Their contribution has allowed REACH participants to receive 25% fare discounts on monthly NJ Transit bus and rail passes. As of December 31, 1989, approximately 758 participants have made use of these discounted passes.

Under REACH, DOT has also provided assistance to local REACH managers in recruiting women into non-traditional DOT jobs (such as bridge operators, road maintenance workers and other construction positions).

Department of Community Affairs: DCA administers the state's housing assistance programs and the Youth Corps - a program to help high school drop-outs continue their education while they earn income at part-time jobs.

Its Division of Housing and Development local representatives work with REACH county planning committees to provide technical assistance in areas such as Section 8 housing. In 1989, up to 225 REACH participants received Section 8 housing assistance.

Two innovative projects to which DCA has provided leadership are the Public Housing Demonstration Project in Mercer County and the proposed REACH/Youth Corps Program.

In the Public Housing Demonstration, DCA provided \$1.1 million to the Trenton Housing Authority for the renovation of 45 public housing units in the City of Trenton. Through a partnership with the Mercer County REACH office, half of those units will be made available to local REACH participants. Contracts for renovation work have been awarded and work is scheduled to be completed by the summer of 1990.

The REACH/Youth Corps Program, currently being developed, is a collaboration between DHS and DCA. The program goals will be to provide a more comprehensive package of educational, work and life coping skills which are needed by adolescent parents under the age of 21. The program design will build on DCA's Youth Corps program.

Within DHS, the commissioner's office provided the necessary leadership, direction and oversight to ensure that REACH was planned and implemented in an efficient and coordinated fashion - both within the department's divisions and in conjunction with other departments of state government. The Division of Economic Assistance (formerly the Division of Public Welfare) has been given the responsibility for supervision of day-to-day program operations. The division has worked hand-in-hand with the commissioner's office, as well as with the Division of Youth and Family Services and Division of Medical Assistance and Health Services with respect to policy development in such areas as child care, community based human services planning and service delivery, health care benefit planning and Medicaid.

II. *The commissioner of Human Services was required to adopt rules and regulations necessary to effectuate the purposes of the act. The department was instructed that no rule or regulation adopted should be more restrictive than any provision of federal law, regulations or waiver authority with respect to the employment or training of AFDC recipients.*

The rules governing the REACH program were adopted October 19, 1987, with revisions subsequently adopted November 21, 1988. The rules identified individuals who are eligible for REACH; established policy for the REACH program; established policy for determining eligibility and support services for REACH; and established procedures for providing and

accessing employment-directed educational and training services and support services for participants. N.J.A.C. 10:81-14.1 through 14.23 was written emphasizing participation, not penalties, with the program designed to be flexible, supporting each family's movement to economic self-sufficiency through employment, and recognizing the dignity and self-respect of the individual.

Further regulatory changes have been proposed and are being reviewed, through a community-based process, to incorporate the Job Opportunities and Basic Skills Program (JOBS) requirements mandated by the Family Support Act (FSA) of 1988, the federal government's new welfare reform program for AFDC recipients. Additional modifications to the regulations will be proposed in the Spring of 1990.

III. *The commissioner of Human Services was required to take action to ensure that services provided under the REACH program were integrated, to the extent necessary to effectuate the purposes of the act, with employment and training programs provided pursuant to chapter 15B of Title 34 of the revised statutes, or with any other federal, state or private program which provides employment, training or vocational services, or a combination thereof.*

REACH uses and enhances existing education, training and employment services programs, and works with public and private agencies at the State and local level to access those services for REACH participants. As cited above, the REACH program has been using the resources and expertise of both the JTPA system and the Employment Services, the major providers of training, job readiness and job placement services to AFDC recipients throughout New Jersey.

The New Jersey JTPA community has been very responsive to the needs of REACH participants and has been an active local partner in the REACH process since the program began. Through state supplementation of federal JTPA resources and coordinated efforts between the DOL and DHS, JTPA services provided to welfare recipients have increased dramatically, doubling the number of clients served in three years:

**Three-Year Trend
AFDC Recipients Enrolled In JTPA**

State Fiscal Year	AFDC Enrollees
SFY 1988	8,291
SFY 1989	10,474
SFY 1990 (Six Months Only)	10,301

(Source: NJ Department of Labor / Division of Employment and Training)

Approximately 22% of JTPA federal funds have been used each year to serve AFDC

recipients; this is well above the minimum service requirements under the JTPA statute. Each SDA has been expected to maintain or exceed their levels of service to AFDC recipients; they have met this goal each year.

Based on the successful experience of earlier welfare reform programs like REACH, the FSA contains a number of provisions designed to foster coordination with other education, training and employment programs. For example, at the state level the FSA not only requires coordination with JTPA agencies but also requires that a state's JOBS plan be consistent with JTPA coordination criteria and be reviewed by the New Jersey Commission on Employment and Training. And, similar to REACH, the FSA mandates that each local welfare agency consult with the Private Industry Council on the development of arrangements and contracts under JOBS, and, to identify and obtain advice on the types of jobs that are available, or are likely to become available, in the area. Therefore, the coordination and collaboration efforts that have worked well in New Jersey through REACH are now part of national welfare reform policy.

IV. The commissioner of Human Services was required to request from the United States secretary of Health and Human Services such waivers of federal regulations as would be necessary to provide supportive services pursuant to subsection e of section 7 of the act to facilitate the training or employment of recipients of AFDC under REACH.

On October 1, 1987 the secretary of the US Department of Health and Human Services granted New Jersey the federal Social Security Act waivers needed to operate the REACH program. For the purposes of REACH, the following provisions were waived:

Required Statewideness: The Social Security Act provisions requiring states to operate welfare programs exactly the same way throughout the state were waived. This permitted New Jersey to phase-in the REACH program gradually from county to county.

Earned Income Disregards, Time Limits, and the 185% Limit on Gross Income for 600 REACH Participants: The provisions which limit the amount of income an AFDC family can earn before its grant is reduced was waived for 600 REACH participants and their families. This permitted the state to allow up to 600 REACH participants, who serve as REACH family day care providers, to earn more money for longer periods of time before they are subject to an AFDC grant reduction. The waiver therefore allowed the state to provide an incentive for AFDC recipients to become family day care providers for children of REACH participants.

During the month of January 1990, 106 REACH participants were providing services as family day care providers under the waiver.

Employment Search and Employment and Training Registration Requirements: The Social Security Act provisions which limit participation in employment, training, and job search activities were waived. This means that REACH participants could take part in job search activities for more than eight weeks and that employment and training programs can be expanded so that all able-bodied AFDC recipients with children above the age of two could participate in REACH.

Employment and Training Sanctions: The waiver of federal sanctioning requirements allowed New Jersey to be more flexible in designing and implementing sanctions for non-compliant REACH participants.

Child Support Collection: The waiver of the annual notification requirement of the child support collection provisions allowed New Jersey to devote more staff resources to child support enforcement efforts.

Required Statewideness, Comparability, and Limits on Eligibility for Medicaid: The federal regulations limiting Medicaid eligibility and requiring statewideness and comparability of Medicaid programs were waived. This permitted New Jersey to phase-in the implementation of the federal portion of the 12-month Medicaid extension and to offer the extended benefits to REACH participants only. This component was designed to provide newly employed former AFDC recipients and their families with the important health care coverage they need through extension of their Medicaid benefits.

Authority to Claim Additional Federal Financial Participation (FFP) in REACH Costs: Along with the FFP, the Department's programs are normally entitled to, the federal government permitted New Jersey to claim additional FFP to help defray costs incurred as a result of the expanded income disregards, the REACH child care services, the expanded REACH job search and Community Work Experience programs, and the 12-month Medicaid extension. The authority to claim additional FFP was granted on the condition that the REACH program generate savings by reducing the federal government's welfare expenditures.

As part of the terms of these waivers, the federal government required three conditions. First, under federal contract, a statistical model was designed to determine what New Jersey's AFDC caseload would be without REACH. This mutually accepted model was then to be used to develop and graph a projected AFDC caseload baseline for the state. Using the baseline as a guide, the state and the federal government would determine the amount of federal savings generated by REACH and the amount of FFP New Jersey could receive under the waiver provisions. Second, the state was required to design and execute a specific type of independent program evaluation. Finally, the department was asked to submit quarterly reports on the progress of REACH and the expenditure of REACH funds. This approach enabled New Jersey and the federal government to gauge program progress without requiring the establishment of a random assignment experiment using a control group.

In 1989, the department submitted AFDC caseload and REACH "baseline model" data indicating that REACH had produced a net reduction of 7,894 welfare cases through the third quarter of federal fiscal year 1988, resulting in one-year federal savings of approximately \$19 million (attachment A):

<u>Quarter</u>	<u>Total Cases Below the Baseline</u>	<u>Federal Savings Pool Generated</u>
1987.4	2,608	\$ 2.11 million
1988.1	5,088	\$ 4.12 million
1988.2	7,792	\$ 6.31 million
1988.3	7,894	\$ 6.46 million

The federal government conservatively estimated that if the caseload would continue to be reduced at the same level through June 30, 1989, an additional \$19 million in federal savings would be realized during the first three quarters of federal fiscal year 1989. Thus, in less than two years of REACH operations the federal government agreed that approximately \$38 million in federal welfare expenditures were avoided through REACH.

Two important and interrelated developments have occurred since New Jersey first negotiated the waiver package which allowed the state to operate REACH. First, as detailed above, REACH had been operational long enough to do a preliminary calculation of the baseline allowing a projection of possible federal savings generated by the program and the amount of FFP potentially claimable by New Jersey.

Second, the FSA of 1988 made a number of provisions that had been available in REACH only under waiver authority part of the national welfare reform program. For example, REACH provides for extensive education and training as well as supportive services such as child care (both during training and after a participant has secured unsubsidized employment) and a 12-month extension of Medicaid benefits. All of these provisions are now mandatory components of the FSA. Therefore, the package of waivers negotiated in 1987 and up for renewal in 1989 could be modified to take into account the phase-in of the FSA.

Given the escalating savings that could be claimed from the federal government and the phase-in of the FSA, a renegotiated settlement was reached with the federal government. Under the agreement, New Jersey would cap the REACH savings pool at the level achieved as of June 30, 1989 (\$23.85 million) when New Jersey implemented JOBS, and to waive rights to claim additional federal savings after that date. The state then would terminate the use of the baseline model as the official means of determining federal savings (however the department will continue to use the model as one measure of the impact of REACH). Finally, the two parties would develop and agree to technical waiver amendments, FSA plan modifications, and evaluation modifications due to the FSA.

The technical waiver amendments as well as the FSA plan and the evaluation modifications are currently under discussion with the federal government. The department proposes to earmark the \$23.85 million for:

- expenditures on enhanced child support enforcement; transitional child care benefits provided to former AFDC/REACH recipients in the Child Care Plus demonstration;
- twelve-month transitional child care benefits for those defined as eligible under REACH from July 1989 to March 1990 including benefits to TEEN PROGRESS participants; and
- non-post-secondary educational services provided to REACH participants prior to obtaining employment.

V. *The commissioner of Human Services was required to develop a schedule for the implementation of the REACH program statewide which would ensure that every county is participating in the program no later than October 1990.*

The DHS developed a multi-year phase-in schedule for New Jersey's twenty-one counties to meet the October 1990 deadline required by the statute. In addition to county phase-in, REACH also provided for counties to phase-in their AFDC caseload incrementally. During the first six to twelve months of program operation in each county, mandatory participation applied only to new AFDC applicants and reopened cases. After that period, dependent on a caseload phase-in strategy mutually agreed upon by each county and the department, AFDC recipients already on the caseload enter the program on a mandatory basis when their case comes up for redetermination of AFDC benefits. Volunteers have been accepted and encouraged into the program at all times.

When program planning was beginning in 1988 for the three counties with the largest AFDC caseloads (Camden, Hudson and Essex), it became apparent that a lengthened planning time and a different caseload phase-in strategy was necessary. All three counties requested a more deliberate, slower caseload phase-in, through the use of pilots, to allow them to carefully design, plan for and experience REACH operations. Therefore, special consideration was given for the three, whose AFDC caseloads constitute about 56% of the statewide total.

Below is the original projected implementation schedule and the outcome to date:

County	Projected Phase-In Date	Final Phase-In Date
Bergen, Middlesex, Union	October 1987	October 1987
Mercer, Passaic	February 1988	February 1988
Atlantic, Cumberland, Ocean Monmouth, Burlington	May 1988	May 1988
Camden program)	October 1988	May 1989 (pilot) July 1989 (full
Hudson	January 1989	March 1989 (pilot) September 1989 (full program)
Cape May, Gloucester, Morris Hunterdon, Somerset Sussex, Warren, Salem	July 1989	July 1989
Essex	January 1989	April 1989 (pilot) April 1990 (projected for full program)

In summary, 18 out of 21 counties successfully realized full implementation of the REACH program within the original schedule, and three on revised schedules as agreed through initiation of pilots.

VI. *The commissioner of Human Services was required to establish guidelines to ensure that a current recipient of AFDC who resides in a county in which the REACH program is operational and who requests to participate in the REACH program before the program is fully implemented in that recipient's county of residence, receives an evaluation pursuant to section 7 of the act within a reasonable period of time.*

Current recipients of AFDC are accepted and encouraged at all times to volunteer to participate in the REACH program. Steps were been taken, through N.J.A.C. 10:81-14.3 and 14.4 to ensure that all AFDC recipients, or individuals pending final eligibility determination, and/or those determined exempt or temporarily deferred from REACH, be informed about and have the ability to volunteer for REACH. Between October 1987 and June 1989, 17% of the referrals to REACH were active recipients of AFDC who volunteered to participate in the program.

VII. *The commissioner of Human Services was required to seek such grants of monies to fund the REACH program as are available from agencies of the United States government or private foundations.*

As cited above, the REACH program has been successful in drawing down federal monies for operation of the REACH program through initiation of various federally matched employment-directed activities, through the waiver agreements, and through early implementation of the JOBS program July 1, 1989. Since the inception of the program, federal financial participation has increased significantly - accounting for under ten percent of REACH funds expended in SFY 1988 to providing an expected 48 percent of the total REACH program budget in SFY 1990.

In addition to federal monies, steps have been taken to seek out private foundation support to provide services to REACH participants. Notably, the department has been able to secure participation in a joint research demonstration with the Rockefeller Foundation on the role of extended and enriched child care for families participating in REACH known as "Child Care Plus". Funded by the Rockefeller Foundation in cooperation with DHS, the federal government and Mathematica Policy Research, Inc., the demonstration seeks to test two major advances over the level of support for child care that is mandated by the FSA. The demonstration plans to involve over 2,000 children of approximately 1,800 REACH participants. This new initiative will become operational in mid-1990. It is estimated that the foundation and federal government together will be providing up to \$30 million for New Jersey for the project over a seven year period. The federal contribution of \$7.9 million will be drawn from the \$23.85 million savings pool described above.

VIII. *The commissioner of Human Services was required to ensure that every able-bodied recipient of AFDC be registered with the REACH program at the time of enrollment as a recipient and participate in one or more program activities with the goal of obtaining permanent full-time unsubsidized employment, preferably in the private sector. An able-bodied current recipient of AFDC who is receiving assistance on the effective date of the act (October 8, 1987) was required to register with the REACH program no later than October 1990 according to a statewide implementation schedule for the REACH program established by the commissioner pursuant to Section 5 of the act.*

In REACH, all adults are required to participate in employment, or REACH employment-directed activities, as a condition of eligibility for AFDC except those classified as exempt or temporarily deferred. Recognizing that REACH was new and complex, the program was not only phased-in by county, but through the managed participation of AFDC applicants and recipients. The implementation of the mandatory requirements under REACH began

in each county by requiring mandated participation of new applicants only. After six months of operation in each county, the plan was for the mandatory requirements to be extended to all AFDC recipients at the time their case was up for redetermination of eligibility for AFDC (usually every six months). At all times, volunteers would be accepted into the program. It was anticipated that the entire caseload in every county would be phased into REACH using this schedule.

However, it became evident through the operational experience of the first three REACH counties (Union, Bergen and Middlesex) that the initial participation phase-in plan was too ambitious and more time was needed by county operators to work out the client flow system. In January 1989 the department extended the phase-in to REACH of active AFDC cases based on schedules mutually agreed to with each county.

Presently, all new applicants as well as all active AFDC cases in the counties of Bergen, Cumberland and Middlesex have been phased into REACH. In the counties of Atlantic, Burlington, Mercer, Monmouth, Ocean, Passaic and Union, all new applicants are referred to the REACH program; the projected date of full phase-in of all active cases is proceeding on schedule and will be completed no later than November 1990. The counties of Camden, Cape May, Hunterdon, Salem, Somerset, Sussex and Warren are currently referring new applicants to the REACH program and are preparing to begin the phase-in of their active caseload in July 1990. Hudson County refers all new applicants into REACH and is scheduled to begin phase-in of their active AFDC cases in September 1991. Finally, Gloucester and Morris counties currently refer all new applicants into REACH and are in the process of developing a phase-in schedule for active clients on AFDC. Essex anticipates referral of all new applicants to the REACH program effective April 1990 and plans to begin phase-in of the existing caseload in October 1991.

IX. The commissioner of Human Services was required to adopt regulations specifying eligibility and participation requirements under the REACH program for able-bodied recipients of AFDC. The regulations were to include exemptions from these requirements for reasons of physical or mental disability or extenuating family circumstances in accordance with federal regulations.

As part of the rule making process cited previously, the regulations governing REACH included requirements for eligibility and participation (N.J.A.C. 10:81-14.3). In summary, all adults are required to participate in employment, or REACH employment-directed activities, as a condition of eligibility for AFDC except those classified as exempt or temporarily deferred. Minor changes to the conditions for participation in REACH were communicated statewide, effective July 1, 1989, based on the new federal JOBS program requirements.

Individuals may be classified as exempt for specific reasons from participation in REACH employment or REACH employment-directed activities; however they may participate on

a voluntary basis. Exemption categories include: child under age 16 or between 16 and 18 enrolled or accepted as full time students (or those under age 19) attending the same and expected to complete the educational program before reaching age 19; persons who are 60 years of age or older; persons who are incapacitated (physically or mentally); persons who are required in the home due to the verified physical or mental impairment of another member of the household; TEEN PROGRESS participants; and the parent who is not the principal earner in the AFDC-N segment.

Participation in REACH may be temporarily deferred for circumstances likely to change that make current participation impossible or impractical. Persons classified as temporarily deferred are reviewed periodically to ascertain whether there are changes in circumstances that make them eligible to participate again, or to see if they want to volunteer. Categories of individuals who are temporarily deferred from participation in REACH include: persons who are ill; pregnancy after the first trimester; demonstration of extreme hardship; homelessness; and caretaker of a young child under two years of age who personally provides care for the child. The last provision includes one exception, required pursuant to the federal JOBS program, that custodial parents under age 20 who have not completed high school or its equivalent must participate regardless of the age of the child. Attachment B displays REACH eligibility and deferral activity from October 1, 1987 through December 31, 1989

X. *The commissioner of Human Services was required to specify that an able-bodied recipient of AFDC who, without good cause as determined by the commissioner, fails to comply with the provisions of the act will be subject to penalty, which may include denial, reduction or termination of AFDC benefits. The commissioner was required to provide for an appropriate right of appeal under those circumstances.*

REACH provides for specific sanctions, outlined in N.J.A.C. 10:81-14.8, for those who fail to participate in the program, despite extensive good faith efforts to encourage them to do so. REACH participants who are dissatisfied with a determination of participation requirements, exempt, temporarily deferred or excused participation status, support services, sanctions and adverse actions may request a fair hearing. For the period October 1, 1987 through December 31, 1989, 863 clients have been referred by a case manager to the county welfare agency for sanctioning.

XI. *The commissioner of Human Services was required to see that each participant in the REACH program receive educational, training or employment services and supportive services according to an individualized service plan which includes a written contract. The individualized service plan for each participant in the REACH program would be designed by a designated representative of the commissioner after interviewing the participant and be based upon an evaluation of the participant's employment skills and potential, educational*

background, job experience and interests, and need for supportive services. The contract would be signed by the participant and the designated representative who acts as a case manager for the participant, and sets forth the specific mutual obligations of the participant and the state in the REACH program.

The service plan and contract would be reviewed by both the participant and the designated representative at least every six months and revised from time to time according to the needs of both the participant and the state.

Critical to REACH is the "designated representative of the commissioner" commonly referred to as the case manager. Case managers are the key staff responsible for ensuring that program participants receive the services they need to move toward self-sufficiency. The department defined case management in N.J.A.C. 10:81-14.4 as a structured approach to the delivery of multiple and interrelated services to assure that the goals and objectives of REACH are met. Case management functions ensure that the principles of REACH are applied in the development of the REACH agreement, evaluation and monitoring, and during an individual's participation in REACH. Staff included in the case management function are primarily the REACH case managers; however, supervisory staff, clerical staff and other support staff also perform functions which are considered part of case management. These "other case management staff" may perform such activities as unit supervision and management, scheduling of participant appointments, data input, and monitoring and tracking of participant records and progress in activities. As of December 31, 1989, the following represents the breakdown of REACH case managers and other case management staff working in each county:

	Case Managers	Other Case Management Staff	Total Staff
Atlantic:	9	9	18
Bergen:	5	9	14
Burlington:	10	4	14
Camden:	6	8	14
Cape May:	2	2	4
Cumberland:	11	8	19
Essex:	6	4	10
Gloucester:	3	3	6
Hudson:	5	11	16
Hunterdon:	1	1	2
Mercer:	18	12	30
Middlesex:	10	11	21
Monmouth:	14	13	27
Morris:	1	2	3
Ocean:	7	7	14
Passaic:	17	9	26
Salem:	1	1	2
Somerset:	2	3	5
Sussex:	1	2	3
Union:	18	17	35
Warren:	2	2	4
Total:	149	138	287

As a result of local discretion in the planning for REACH, case management staffing patterns differ from county to county, as highlighted in the above chart. This difference is created by a number of factors, including but not limited to:

- the length of time a county has been active in the REACH program (as a county phases into REACH the number of case managers grows concurrently with the caseload);
- a county's philosophy toward unit staffing (for example, some counties felt it better to hire more case management aides to perform data input and tracking functions, while other counties choose to have a case manager perform all activities thus alleviating the need for aides); and
- cost factors (county salary ranges and the local labor market were a factor in many counties' staffing configurations).

In each county, the selection of an agency to provide case management was done on a competitive basis through the county-based planning process. Twenty out of 21 counties recommended that their local county welfare agency provide case management services, acknowledging their experience, expertise, and effectiveness in working with the REACH population.

Taking advantage of an opportunity for innovation and change, Camden County decided to use the implementation of REACH as an chance to undertake a special approach to working with their welfare population. Camden's REACH Planning Committee, through competitive bid, aggressively reached out to local social service, government, and non-profit entities to provide case management services to REACH participants. As a result, Camden County contracted with Camden County College to be the case management agency for the program. Thus, through the flexibility of the local REACH planning process, Camden used its creativity to broaden and strengthen the partnership between local and state government, education and training institutions, the not-for-profit social services community and local business important to providing an array of comprehensive services to REACH participants.

The department is committed to developing and maintaining statewide the case management capacity that is necessary to carry out the important responsibilities of these individuals. Consequently, 20% of the SFY 1990 REACH budget is dedicated toward case management activities under REACH; these same important functions are reflected in the federal JOBS program.

An important part of a case manager's job is the development of a REACH Plan for Self-Sufficiency with each participant in the program. The plan tells how the participant and the state (represented by the case manager) will work together and set goals to help the participant get a job. It contains such items as personal and family information, education and training background, work history, transportation information, child care information, identification of barriers to employment, and finally the REACH Agreement.

The REACH Agreement is the written contract, signed by both the participant and a case manager, that outlines the specific tasks that each must do to lead the participant toward employment. When the participant signs the agreement, he or she agrees to participate in the program and follow its goals and rules. When the case manager signs for the State of New Jersey, he or she is promising that the State will do all it can to make all of the REACH activities and services in the Plan for Self-Sufficiency available.

This concept of "mutual obligation" means that the REACH participant must do all they can to support themselves and their families by getting a job, by entering job training, or by completing their educational activity. The state, in turn, provides opportunities, such as job training, and removes obstacles, such as lack of child care and health coverage, that prevent a parent from going to work or completing education and training.

Program experience between October 1, 1987 through December 31, 1989 shows that of those entering the program, 11,529 participants have signed agreements to enter into employment-directed activities (attachment C). Should a participant's circumstances or needs change, they may review and renegotiate the agreement with their case manager at any time during their participation in REACH.

XII. *The commissioner of Human Services was required to see that the designated representative acting as a case manager for the participant arrange for necessary education or training services, in addition to necessary supportive services, and monitor the participant's progress after placement in a job and be available to the participant, as needed.*

Part of a case manager's responsibility is to determine which of the various REACH services offered are appropriate for their participants. The process of assigning REACH participants to program components can be aided by a vocational/educational assessment (administered by a separate agency such as JTPA, Employment Services or a community college in most counties). Participants play a major role in developing their own plans.

With the signing of the agreement, the participant begins those REACH activities which will prepare her for unsubsidized employment. Participants can engage in more than one activity designed to move them into jobs. For the period October 1, 1987 through December 31, 1989, 11,529 participants who signed agreements were active in 13,822 "employment directed activities". 4,152, or 30%, of these were job skills training activities, 5,265 or 38% of these were educational activities, and the balance were for job search and related activities (attachment C).

The case manager and the participant may believe that given her motivation and recent work history, the participant should be referred directly to a job search program. Most job search participants meet in organized groups with an instructor who deals with a range of job related issues such as resume preparation, interview skills and wardrobe selection. When the participants are ready to look for employment, they consult current job listings using the skills they learned in class. Of the participants signing agreements, 4,405 or 32% of these activities were job search.

In working with each participant, a case manager may uncover personal problems with drug addiction, alcoholism or dysfunctional behavior that may prevent or seriously impair an individual's ability to participate in an employment directed activity. In these instances, case managers may refer an individual to appropriate social service professionals for immediate help. If a participant is actively seeking treatment for their problem, this becomes their participation in REACH. Of those entering the program, 437 have been referred to social service activities during the period October 1, 1987 through December 31, 1989.

Another part of a case manager's job is to provide the necessary support and access to services for individuals once they enter employment and are no longer eligible for AFDC. REACH case managers continue to work with employed individuals for up to one year to ensure that their network of REACH post-AFDC supports remains intact.

The department recognizes that this transition period is critically important for the individual who has been dependent on the welfare system and who may be unfamiliar with the responsibilities of economic independence and expectations of employers. In many

instances, the case managers provide the needed support system to encourage and teach individuals how to make the transition. Some counties have made available various activities and programs such as support groups for REACH graduates, or life skill programs which teach financial planning and parenting skills.

XIII. *The commissioner of Human Services was responsible for providing, at a minimum, the following education, training and employment services under the REACH program: counseling and vocational assessment; intensive remedial education, including instruction in English as a Second Language; job search assistance; employment skills training focused on a specific job; on-the-job training in an employment setting; and job development and placement.*

The following are the service components available through the REACH program to help welfare recipients make the transition from welfare to work:

Assessment and counseling help match recipients' job skills, preferences and educational status to appropriate jobs, training or education training.

Educational services include adult basic education, graduate equivalency degree (GED), and english as a second language programs, two-year associate degrees and other certifications offered by community colleges.

Job Development, Placement and Job Search provide professional assistance and supervision in locating and obtaining a job for those qualified to enter the job market by prior work experience or successful completion of a training or education program.

Job Skills Training is available in both a classroom setting and on-the-job for those needing new skills or those whose skills need improvement. REACH trains participants for occupations judged to be in demand by market analysts.

Work Supplementation transforms welfare grants into on-the-job training money. All or part of a trainee's grant goes into a pool from which employers draw to pay part of her wages during the training period. At the end of training, the participant is expected to continue in the job without subsidy.

Community Work Experience (CWEP) involves a short-term or part-time work assignment with a public or private not-for-profit employing agency for the purpose of developing a participant's work habits and basic skills.

The JOBS program mandates the same activities available to participants under REACH. All of the components cited above are presently available through the REACH program with the exception of CWEP. It is expected that approximately eight counties will initially

participate in the CWEP component. These counties are currently awaiting approval by the Department of Treasury of a statewide Worker's Compensation plan to cover participants engaged in this activity.

XIV. *The commissioner of Human Services was required to see that a participant in the REACH program be trained and placed in a job or field of employment which offers reasonable opportunities for employment security and upward mobility.*

Coordination and communication with JTPA and the Private Industry Councils helps to assure that individuals are placed into good jobs that are in demand in the local labor market area.

REACH was designed to move participant's forward in a planned manner that will result in employment once they have acquired the skills and education needed to get jobs that provide economic independence. Progress has been deliberate but increasingly successful. As of December 31, 1989, 9,430 AFDC clients have become employed with the help of REACH, with 4,752 doing so after graduating from REACH-provided job training, education, and job search services. Another 4,678 became employed on their own initiative, receiving transitional services such as child care and/or a Medicaid extension (attachment C).

During 1989, OMEGA, the management information system used by REACH case managers statewide to record and track data about REACH participants, was able to provide information on participant wages and availability of health insurance. Analysis of OMEGA data indicates that between October 1, 1987 and December 31, 1989 the average hourly wage at placement for REACH participants is \$6.17. Additionally, 62% of employed REACH participants have employer-provided health benefits available to them. The average hourly wage of REACH participants with employer-provided health benefits is \$6.59; without employer-provided health benefits \$5.83.

XV. *The commissioner of Human Services was responsible for ensuring the availability of, and for providing, the following supportive services under the REACH program for a participant when no other appropriate source is available, and when these services are specified in the contract as necessary to enable the participant to receive program services pursuant to subsection c of the act. The supportive services shall include, but not be limited to, one or more of the following:*

- (1) *child care services for the participant's child which may include care provided at a child care center licensed pursuant to P.L. 1983, c. 492 (C. 30:5B-1 et seq.) or a school-age child care program, or at a family day care home approved by the Department of Human***

Services pursuant to P.L. 1987, c. 27 (C. 30-5B-16 et seq.) or through alternative arrangements which are developed by the designated representative and the REACH participant according to guidelines established by the commissioner.

(2) transportation services, to be provided directly by the REACH program or through an allowance or other means of subsidy by which the participant may purchase transportation, which services may be designed and implemented by the commissioner of Human Services in consultation with the commissioner of Transportation; and

(3) health care coverage through a continuation of Medicaid benefits pursuant to P.L. 1968, c. 413 (C. 30:4D-1 et seq.) in accordance with the provisions of P.L. 1987, c. 283.

The following support services, while a participant is active on AFDC and in an employment-directed activity, are being offered under REACH:

Child Care assists REACH participants who need care for infants, pre-schoolers and school-age children through direct payment to providers chosen by the parent. Up to \$89 per week for infant care and care of special needs children is paid and, up to \$68 per week for pre-school and school-age care is paid. From October 1, 1987 through December 31, 1989, 5,614 participants received child care payments while participating in activities prior to employment.

The following types of care are being used by REACH participants: licensed child care centers, registered family child care homes, self-arranged care (including care in a participant's home as well as in the home of a friend or relative), summer camps approved by the Department of Health, and school-age child care programs (after-school) operating under the auspices of the Board of Education or which have a contract with the Division of Youth and Family Services. As of December 1989, the following types of child care have been used by REACH participants: 55% were arranged directly by the REACH participants with individual caregivers known to the client (such as a relative); 24% of the providers were licensed child care centers; 19% were registered family day care homes; and 2% were after-school programs.

Under REACH, each county has designated a lead child care agency responsible for designing an effective child care system, meeting with participants to determine their child care needs, and matching participants with providers. The county-designated lead child care agencies, providing the local administration of the child care function, represent non-profit agencies, branches of county government, and county welfare agencies.

Policy development in the child care area has been extensive and comprehensive under REACH. Policy and procedures were developed in such areas as rates, payments, attendance, approvable child care arrangements, transitional benefits, data collection, provider training and recruitment, monitoring of child care arrangements, use of regis-

tered family day care homes, post-AFDC sliding fee scale, fee monitoring and collection, and interagency communication. A REACH child care policy and operations committee was established, involving lead child care agencies, case management staff, REACH program managers and other important members of the community, to provide advice to the department on policy direction and operational problem-solving.

Training Related Expenses (TREs) help REACH participants meet the costs of transportation and other necessary expenses related to participation in training or education. Full time REACH participants are entitled to TREs of \$6.00 per day (\$30 per week) if they are participating in a REACH employment directed activity.

TREs were available to AFDC recipients who participated in the Work Incentive Program (WIN), the welfare employment program in existence prior to REACH. The \$30 per week provided under REACH represents a 33% increase over the WIN payment of \$22.50 per week and has been expanded to a broader population than that served by WIN. In an effort to be more responsive, policy was developed which allowed daily and weekly TRE payments for amounts greater than \$6.00 per day (or up to \$30.00 per week), but not more than \$15 per day (or up to \$60.00 per week). Such payments may be issued on a case-by-case basis for those participants with extraordinary circumstances. Data on program experience show that 11,528 participants received TRE while in employment directed activities for the period October 1, 1987 through December 31, 1989.

In addition, the JOBS program has allowed New Jersey to make available one-time allowances, based on need, to permit participation in a REACH employment-directed activity or a job. These allowances are:

- Payment of up to \$100 for expenditures necessary to permit participation in a REACH employment-directed activity issued in preparation for and during the course of participation. The allowance may be used to defray the costs of books, supplies, equipment, uniforms, tools or other materials required for participation in such activities as classroom or on-the-job training or education.
- Payment of up to \$100 for expenditures necessary to permit an individual to accept or maintain employment issued in preparation for and during the course of employment. This allowance may be used to defray the costs of uniforms, tools, equipment or other materials or services that are work related and are not available from or paid by any other funding source.

Finally, in the area of transportation, the requirements of the JOBS program has also allowed New Jersey to make available a one-time allowance, based on need, to make a participant's automobile suitable for transportation to REACH training, education or employment. Allowances may be used to defray the costs of car service and repairs, insurance or other costs directly related to the participant's use of her own automobile.

Over 340 participants have been able to take advantage of these one-time allowances since they became available July 1, 1989.

Health care coverage, is available to REACH participants through the Medicaid program while active in REACH education, training and employability components.

XVI. The commissioner of Human Services was required to see that child care services and health care coverage be provided, as necessary, to the participant for one year after the commencement of employment by the participant. Transportation services may be provided to a participant after the commencement of employment for a limited period of time, but the amount of transportation services assistance shall be reduced, over time, according to a schedule which was adopted pursuant to regulation and which is based on the length of time a participant is employed.

REACH not only provides Medicaid and child care while a recipient is active on AFDC and participating in REACH pre-employment activities, but also for twelve months after a recipient is no longer eligible for AFDC because of employment. These are referred to as *REACH transitional supportive services*.

The *REACH Medicaid extension* is available to all REACH participants who leave AFDC and get a job. Those who enter jobs offering health care coverage make use of their employee health benefits; in such cases, Medicaid remains the payor of last resort picking up only those costs not covered by the employer's health benefits package. REACH case managers also provide information to recipients on health plans and help them make decisions on future coverage. A *Case Manager Health Insurance Handbook* was developed to assist case managers to prepare their clients for the expiration of Medicaid benefits.

In the beginning of REACH, a 12-month Medicaid extension to all participants leaving AFDC for jobs was made available by waiver authority from the federal government. The enactment of the FSA now makes a twelve-month Medicaid extension national policy. Data on program experiences shows that 7,161 participants started a 12-month Medicaid extension for the period October 1, 1987 through December 31, 1989.

REACH also provides *payment for child care for twelve months* to participants who leave AFDC and get a job. Since the beginning of the program, REACH paid for services for employed participants at the same rates as those paid to participants who were in training and education. From October 1, 1987 through December 31, 1989, 2,210 participants were provided with full child care assistance while employed.

Effective April 1, 1990 the FSA requires that every REACH participant requesting post-AFDC child care assistance contribute toward the payment for such care, based on the family's ability to pay. As required by FSA, this co-payment system provides for a level of contribution by all recipients. The department is developing the REACH co-payment system to be consistent with other child care fee systems in place statewide, such as the Social Services Block Grant program.

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Finally, in the area of transportation the one-time allowance used to defray the costs of car service and repairs and insurance, described above, can be used by participants during this one-year post-AFDC period.

XVII. The commissioner of Human Services was required to establish the REACH program on a county-by-county basis according to a program implementation plan specifically designed to meet the needs of each county.

A distinctive feature of REACH has been the key role given New Jersey's 21 counties in the planning for the program. The goal of this process was to integrate and coordinate the local human service network as well as create an environment which fostered innovation and greater interagency cooperation.

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The 21 counties, which vary widely in the size of their AFDC population, the availability of education, training, and social services resources, the nature of their labor market and the cost and availability of their support services such as child care and transportation, were required to undertake a local planning process. The REACH planning process integrated the county-based human services system and the local employment and training system. It was used as a means of designing and implementing REACH in each county. Through use of a REACH Planning Committee and development of a REACH Implementation plan, each county was required to:

- coordinate and ensure the delivery of employment, training, education, case management and supportive services for REACH participants;
- maximize the use of resources from various federal, state, county and private funding sources for services to REACH participants; and
- establish efficient and effective administration and decision-making operations for REACH program management.

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XVIII. The commissioner of Human Services was required to establish a REACH Planning Committee in each county to determine the most effective way to plan and organize services in that county. The planning committee shall, at a minimum, include the following as voting members: the director of the county welfare agency; a representative of the board of chosen freeholders; a representative of the local Private Industry Council or the service delivery area established pursuant to the "Job Training Partnership Act," Pub. L. 97-300 (29 U.S.C. 1501 et al.), or of a successor entity as may be provided by federal law; and the chairperson of the county Human Services Advisory Council. The planning committee may also include as voting members the following: a representative of the local commu-

nity college; a representative of the county vocational school; a representative of private business or industry in that county; two or more recipients of AFDC residing in that county, whose costs of participation in the planning committee shall be borne by the REACH program; county residents who represent the nonprofit and religious communities in the county; and other agencies of the county government, as appropriate. In addition, the planning committee shall include as nonvoting members representative of the following agencies: the Division of Economic Assistance in the Department of Human Services, the Division of Employment Services in the Department of Labor, the Bureau of Adult Education in the Department of Education, the Division of Housing and Development in the Department of Community Affairs and the county representative of the Department of Human Services.

The committee was required to develop a program implementation plan for the county which would ensure that training, education and employment services provided by the REACH program in that county reflect local needs and resources and that supportive services provided to program participants use existing local arrangements wherever possible. The plan was to include designation of a county agency to administer the REACH program in the county and to report to the commissioner on program implementation and effectiveness according to criteria and standards established by the commissioner.

In the Spring of 1987, the Department of Human Services made available to the counties *REACH County Implementation Plan Guidelines*. These guidelines provided a foundation on which each county would build its REACH program. Every county was required to submit a REACH Implementation Plan and develop an operational REACH program.

The guidelines were designed to encourage a coordinated and integrated planning and service delivery effort between the Human Services Advisory Council, the Private Industry Council or Service Delivery Area under the JTPA program, the welfare agency and other key planning and service providers within each county. Consequently, each county was required to put in place a REACH Planning Committee consistent with the membership requirements outlined in the REACH statute. The department strongly encouraged additional committee representation beyond the required membership, for example from AFDC recipients, local nonprofit providers, business leaders, local educational institutions and client advocacy groups.

As a result, the planning committees varied in size and composition reflecting the unique features and characteristics of each county. Upon completion of their plans, counties were required to seek public input. The welfare agency, the Human Services Advisory Council, the Private Industry Council and the Board of Chosen Freeholders in each county had to approve the REACH Implementation Plan before submission to the Department of Human Services for review and final approval.

Through the local committees, each county determined how they would ensure an operational program, and put in place the required activities for their AFDC population. Local planners and administrators were given flexibility to design a REACH program to meet the needs of their clients and to build upon the resources available in their county. While planners had to meet certain minimum program requirements, the department encouraged each county to enrich and supplement its program. Within the planning framework, counties were given the latitude to make decisions about how their program would operate. For example, counties were asked to make recommendations on REACH service providers for case management, vocational/educational assessment, job search, educational activities, child care systems administration and other employment directed activities. **Attachment D** displays how REACH Planning Committees set up their REACH program; where the REACH office is located; and what services it currently offers.

As part of the planning and program management process, counties were required to designate a local REACH coordinator who, on behalf of the county, would oversee the administration of the program. All 21 coordinators are on board. The coordinator's responsibilities include, but are not limited to:

- Coordination activities such as completion of a REACH implementation plan and submission of any subsequent programmatic or funding modifications to the Department of Human Services and the local committee;
- Programmatic updates to the state and the county;
- Execution of the REACH contract with the Department of Human Services and execution of relevant county subcontracts for designated REACH program components;
- Collection and review of program and financial data of each component and evaluation of its relationship to the overall program; and
- Maintenance of the REACH committee membership in accordance with state legislative requirements.

The REACH Planning Committees continue to meet as standing committees of each county's Human Services Advisory Council. They provide advice, input and oversight to each local REACH program.

XIX. Pursuant to the provisions of the REACH program implementation plan, the commissioner was authorized to contract with a county government for the provision of some or all of the services under the REACH program or provide them directly.

The commissioner was required to reimburse a county for 100% of the reasonable costs associated with administration of the REACH pro-

gram and program services which are not reimbursed by the federal government.

The Department of Human Services executes a contract on an annual basis with each county government for the provision of REACH program components necessary to operate an effective and efficient program. The contract outlines how each county will meet the established standards and criteria, and how it will administer the program within reasonable costs determined by the Department. Resources for REACH operations have been made available to each county in such areas as: county fiscal and program management; JTPA supplementation; child care intake and support; case management; employability services (formerly referred to as job search and other related activities); and one-time grants to address start up costs associated with the initial implementation of REACH and to educate REACH participants and local employers about the opportunities available to them through REACH.

The department has worked with counties to manage REACH cost-effectively, avoiding unnecessary expenses and operating within the fiscal limits of the appropriation of the state legislature. The payment levels provided to each county annually reflect what the department believes to be 100% of the reasonable costs for prudent administration of the REACH program. Attachment E summarizes the appropriations and expenditures for the REACH program from October 1, 1987 through December 31, 1989.

XX. The commissioner of Human Services was required to submit to the Senate Revenue, Finance and Appropriations Committee and the General Assembly Appropriations Committee, or their successor committees, and the governor, at the earliest possible date, a REACH program implementation report, including but not limited to, the following information: a detailed schedule for the implementation of each phase of the REACH program and a description of the services to be provided in each phase, as well as a precise estimate of the number of program participants during each phase of the program and the costs of implementing each phase.

The required REACH program report, entitled *REACH: An Investment in People*, was submitted by the department to the respective appropriations committees and the governor in March 1988. The report detailed information on the REACH program design, a description of service provision, a profile of operating counties and the status of program implementation, an estimate of the number of participants served, and up-to-date program costs.

XXI. The commissioner of Human Services was required to submit to the Assembly Appropriations Committee and the Senate Revenue, Finance and Appropriations Committee, or their successor committees, on a quarterly basis a detailed report on the REACH program con-

taining statistical and financial information. The report should include, but not be limited to, the following information: the number of recipients of AFDC who are participating in the program and the number who have been exempted from the program; the kinds of services being provided to program participants and the costs of those services; the number of designated representatives of the commissioner employed by the program and the costs associated with their employment; other administrative costs incurred by the program; the number of program participants who have obtained employment and the average hourly wage and benefits provided by their employers; and the average length of time that program participants remain employed. Each report shall be submitted no later than 60 days after the end of the quarter.

To date, the department has submitted eight quarterly reports to both the Senate and Assembly appropriations committees, beginning in 1987 with the quarter starting October 1, 1987.

XXII. The commissioner of Human Services was required to provide for an independent evaluation of the REACH program by a private entity under contract with the Department of Human Services. The department is required to present to the governor and the legislature the results of the evaluation no later than October 1990.

In the Fall of 1988 the Department of the Treasury and the Department of Human Services issued for competitive bid a request for proposal (RFP) for evaluation of the REACH program. As stated in the RFP, the primary purposes of the evaluation are to assess the extent to which REACH meets its objectives and to provide a source of information to state and federal policy-makers on which to base refinements in program design, operation, and resource allocation.

In March of 1989 the State of New Jersey awarded Mathematica Policy Research, Inc. a five year contract for \$1,288,997 for evaluation of the REACH program. The initial scope of work involved five major components as stipulated in the federal waiver conditions:

An Implementation and Process Analysis: The evaluator will describe and assess the implementation of REACH throughout the state. County level analyses will be conducted as well as an evaluation of state-level implementation activity. Areas of analysis include but are not limited to services provided statewide and by county, staffing levels by county, the organization of the program at the state level and by county, an analysis of state and county level planning processes, as well as ascribing differences in program effectiveness to variations in program design/implementation at the county level;

An Impact Analysis: Through the use of quasi-experimental design, the evaluator will estimate the extent to which participation in REACH has reduced welfare dependency and has led to increased employment, earnings, educational attainment, and other positive outcomes. In order to make these estimates, REACH participants will be compared with a matched comparison sample in counties which have not yet implemented the program and with a prior experience sample of recipients within the same county. Areas of analysis include but are not limited to: employment and earnings, AFDC, Medicaid, and other income support programs, level of spending for welfare programs, recidivism to AFDC and Medicaid, educational attainment, living arrangements and family formation, establishment of paternity and child support payments, use of Medicaid benefits during extension period, use of non-Medicaid health care benefits (provided by an employer), impact of case manager counseling in regard to third party health coverage, as well as sanctioning activity;

A Cost-Effectiveness Analysis: The evaluator will examine the extent to which the costs associated with REACH were justified in terms of the benefits obtained by participants, the public, and by the state, federal, and county governments. Areas of cost analysis include but are not limited to: program operating costs, administrative costs, and increased work related costs to participants. Areas of benefit analysis include but are not limited to: increased productivity, increased tax payments, reduction in AFDC and Medicaid, increased income and quality of life for participants and their families, reduced dependence on welfare programs, and increased child support collection; and

An In-Depth or Ethnographic Analysis: As a supplement to the data obtained from administrative records, the evaluator will conduct focus groups with REACH participants and persons who complete the REACH program. In addition, the evaluator will conduct yearly follow-up interviews with persons who have completed the REACH program in order to obtain information that is unavailable through administrative records. This requirement was designed by the federal Department of Health and Human Services to suggest new areas for additional research. Areas of analysis include but are not limited to: qualitative information on the impact of REACH on the attitudes and behaviors of the participants.

Additionally, the contractor is required to conduct ten special studies in areas determined by the department. The content of these studies are currently under review and discussion.

Portions of the evaluation work are under review and discussion pending completion of a review of the overall evaluation design detailed above. The status of the evaluation work is discussed in more detail in the following section of this report.

Current Issues - The Challenges for 1990

The Department of Human Services expresses its appreciation to the Legislature for providing the important state resources to make implementation of REACH a reality and for enacting a program whose goal is to ultimately better serve the needs of New Jersey's welfare recipients. While much hard work and attention has been paid to making REACH work successfully, it is recognized that there are a number of major issues that must be dealt with, or which will require further analysis as the program matures in the year ahead.

The Coordination of REACH and the Jobs Opportunity and Basic Skills Program (JOBS)

With the enactment of the FSA in 1988, and the promulgation of final rules for Title II of the FSA which creates the Jobs Opportunity and Basic Skills (JOBS) program, several requirements will need to be addressed to bring New Jersey's REACH program into full compliance with JOBS.

On July 1, 1989, New Jersey initiated implementation of JOBS. JOBS replaced the Work Incentive Program (WIN) and consolidated the three optional AFDC employment related programs, Title IV-A employment search, work supplementation and Community Work Experience into a single funding source under Title IV-F. Although the federal program in many ways reflects the state's pre-existing REACH program, the federal initiative mandates a number of components, management requirements, and performance standards which, while not conflicting with the goals and program design of REACH, have affected the program and necessitated some modifications. A few are highlighted below.

First and most notably, JOBS puts great emphasis on education, reflecting a view that education (such as literacy and high-school equivalency) is one of the most important tools an individual needs to achieve full independence. This direction not only impacts on the goal of REACH as an employment program, but subsequently affects decisions on the allocation and availability of resources within the state for educational activities (versus job training and placement activities) for participants.

Specifically, while REACH allows participants to choose educational activities from among an array of options as part of their plan for self-sufficiency, the JOBS program is more prescriptive and mandates that specific target populations pursue education. For example, custodial parents under age 20 regardless of the age of their child(ren) must participate in an educational activity according to JOBS rules. Additionally, custodial parents over age 20, who lack a high school diploma, must participate in an educational activity,

unless the individual either demonstrates basic literacy (cited in the JOBS rules as equivalent to at least grade 8.9) or has a long term employment goal that does not require a high school diploma.

An analysis is currently being undertaken in cooperation with the Departments of Education, Higher Education and Labor to ascertain what educational resources (e.g., GED preparation, english as a second language, basic skills instruction) exist locally to meet the anticipated high demand, and which ones are responsive to and suitable for REACH participants. The emphasis on education will likely require increased coordination, cooperation and involvement with the state's education and higher education systems. In the meantime, the ability of the program to meet the educational demands will be predicated on each county's ability to know what non-REACH resources exist and can be used.

Second, JOBS establishes participation rates that each state, including New Jersey, must meet or risk receiving a lower level of federal financial participation(FFP). FFP will be 50% (rather than 60%) in any fiscal year for the state's JOBS expenditures if the participation rate for the preceding fiscal year does not equal or exceed 7% (of the state's non-exempt AFDC-eligible population meeting the JOBS definition of participation) in FFY 1990, eventually going up to 20% in FFY 1995. For the purpose of determining a state's participation rate, the state must ensure that individuals counting toward the rate (non-exempt AFDC-eligible individuals) are scheduled for an average participation (in an employment-directed activity) of 20 hours per week, as long as she actually attends at least 75% of the activity's scheduled hours.

This rule may impact negatively on program activity decisions, requiring for example that local operators rely on activities which emphasize hours instead of appropriateness, or engage in "over assigning" people to activities to ensure that quotas are met. The effect of these participation rate requirements on program operations and the allocation of resources is being analyzed. It is expected that this analysis will provide, by county, an estimate of the minimum number of individuals who should be required to participate in an employment directed activity at any given point in time, on a yearly basis, in order to meet the participation rates necessary for enhanced FFP.

Present analysis of participation in employment directed activities suggests that New Jersey is now meeting the FFY 89 rate requirement of seven percent. The impact of this requirement on future resource decisions is important to note. To guarantee that New Jersey meets the federal participation rates each year, the state must ensure that there are adequate resources available to place participants in such activities as job skills training, basic skills instruction and on-the-job training.

Simultaneously, JOBS also stipulates that effective in FFY 90 a state's FFP will be reduced to 50% unless it makes at least 55% of its expenditures under Title IV-F on five specific target groups. The target groups defined in the rule include individual JOBS participants meeting one or more of the following characteristics:

- Currently receiving AFDC and have received AFDC for any 36 of the 60 preceding months;
- Applying for AFDC and have received AFDC for any 36 or the 60 months immediately preceding the month of application;
- Custodial parents under age 24 who have not completed high school or equivalent education and are not enrolled at the time of application;
- Custodial parents under age 24 who had little or no work experience in the preceding year; and
- Members of families in which the youngest child is within 2 years of being ineligible for AFDC because of age.

This rule could impact on present program activity decisions within REACH. For example, depending on how New Jersey is allowed to calculate distribution of these expenditures, and the degree of administrative difficulty that results, prioritization of services to target populations could be mandated. Currently, REACH does not prioritize specific target populations for service except through the implementation process of phasing-in new applicants first, then the existing caseload. In all instances, REACH participants statewide have equal access to the program by volunteering to participate. Given existing resources, clients who are not in one of the five target groups could be placed on waiting lists for services.

Preliminary analysis of certain REACH expenditures suggests that New Jersey is now meeting the requirement regarding target groups. However, the final impact of this requirement remains unclear and will depend on direction from the federal government.

Finally, under JOBS rules the state must guarantee child care when necessary for an individual to accept or retain employment or to participate in an approved education or training activity. The federal law makes a clear statement as to each state's duty to provide a wide range of child care (such as center based, family day care and self-arranged care) available to all participants. By contrast, FSA does not provide federal financial match for recruitment or training of child care providers, resource development or licensing activities. The implications of this requirement and restriction may have an impact on future resource allocation decisions, since resource

development and recruitment and training of providers is essential in order to expand the child care supply and meet the demands of REACH participants and the guarantee provision.

Additionally, JOBS (as well as REACH) requires that each state provide one year of child care after a parent has left AFDC due to earned income; however, unlike REACH, JOBS requires (effective April 1, 1990) each state to require some level of contribution toward child care by all recipients and through a sliding scale formula. This change is noteworthy since under REACH the state had paid for child care in full during the one-year post-AFDC period with no participant contribution. In response to community and legislative concerns, the REACH program has proposed a post-AFDC sliding fee scale with fee levels consistent with those used for Social Services Block Grant child care services.

REACH Program Management and Fiscal Accountability

Since 1987, the department has provided on-going technical assistance to each county in addressing REACH policy, management, fiscal and systems issues that arise when planning and operating a new program. However, at this juncture the department believes that better and more sophisticated management tools must be developed to ensure and measure program efficiency and compliance. REACH is at the stage where fiscal and program accountability and management information are of great importance to the health of the program. Over the next year, the department will implement three key program improvements to provide enhanced management and oversight of REACH: the REACH Program Analysis; revised and improved contracting standards; and measures to insure stronger fiscal integrity of REACH at the local level. A brief description of these instruments is as follows:

REACH Program Analysis: The proposed analysis will involve a goal-directed plan to analyze current state and county program policies and operations and to put in place processes and systems ensuring long range effective REACH management. The goal of this initiative is to improve state and county REACH operations; to ensure compliance with state and federal REACH/JOBS program rules; to maximize federal financial participation in REACH; and to increase each county's capacity to manage REACH effectively.

Current plans call for the development and implementation of a quality assurance and policy compliance monitoring system for county REACH operations; development of an analysis of county operations to determine the critical factors contributing to successful REACH operations; and develop-

ment of a REACH management assistance program that will provide each county with a standard system designed to measure progress and effective operations.

Revised Contracting Standards: Prior to 1989, the REACH contracts between the Division of Economic Assistance and county government outlined the parameters and expectations of county REACH operations but did not include specific quantified levels-of-service. Now that there is solid operational experience, the department can better formulate definitive program expectations. The Division of Economic Assistance has undertaken a revision of its REACH contract format and process to ensure that activities funded through REACH have levels of service commensurate with funding levels and REACH/JOBS requirements; that the contracts and subcontracts conform to department standards; and that counties meet their contractual obligations and goals.

Fiscal Management: Our review of local REACH operations and practices indicates the need for enhanced REACH-related financial accountability and responsiveness to fiscal reporting at the local level. The growing size and complexity of the program and the institution of JOBS demands that a greater level of attention and responsibility in fiscal reporting be a high priority. In response to this, the department would like to build up county capacity to meet the fiscal reporting needs of REACH and JOBS by requesting that each county designate a fiscal officer to develop and monitor REACH-related contracts and subcontracts, to develop timely and accurate programmatic and fiscal reports for the county, state and federal government; and to ensure compliance with complex JOBS fiscal reporting requirements. The department's REACH budget request for SFY 1991 contains resources to enhance this fiscal management capacity at the county level.

REACH and Essex County

From the beginning of REACH, the department had developed an implementation schedule for program operations which recognized that making reform a reality is a difficult and time consuming task. Therefore, there was agreement to implement the program in 1987 first with counties having mid-sized AFDC caseloads to work out the initial program design, make program improvements and address emerging issues. It was believed, however, that the ultimate challenge of program implementation would be in the successful operation of REACH in New Jersey's three largest AFDC counties - Hudson, Camden and Essex - whose caseloads together constitute 56% of the state-wide total.

The first ten counties to operationalize REACH made the state continuously aware of issues and problems that needed attention and refinement; they also

demonstrated that operational issues could be successfully addressed and resolved. As the department moved closer to the planning and implementation of REACH in Camden, Hudson and Essex it became evident that special considerations would need to be made to address their unique circumstances, most notably their caseload size.

Accordingly, these specific provisions included, but were not limited to:

- the designation of key staff liaisons from the Department of Human Services, as well as the Department of Labor;
- additional financial resources such as larger implementation grants and special one-time \$100,000 urban impact grants;
- availability of child care capital funds and capital challenge grants at the advent of program operations to allow time to have child care centers in place and a reasonable supply of child care available;
- provision of a lengthened planning time to learn from the experience and problem-solving of the operational counties; and
- institution of a more deliberate case phase-in, through the use of pilots, to allow these counties to design a REACH program which would be successful and build on their existing county systems.

As a result, successful full implementation of REACH was achieved on schedule in eighteen counties and on revised schedules through the initiation of pilots in Camden and Hudson.

There remain concerns, however, about the operations of the program in Essex County, whose AFDC caseload is the largest at 28% of the state total. Originally, Essex was scheduled to begin full implementation in January 1989. The county officially kicked off its program in April 1989 and subsequently began limited operations of a 300-person pilot in the fall of 1989. Outlined below are some of the issues and obstacles which have made implementation slow and demanding.

First, since initial communication with Essex County in 1988 about the upcoming initiation of REACH planning, county officials expressed various philosophical issues and fundamental disagreements with the concepts and principles of the program. Issues focused on the ability of the county's resources to meet program demands, labor market supply, program responsibility at the local level, anticipated coordination problems, the newness of the OMEGA system, and fundamental disagreements about basic REACH program design (such as mandatory participation).

Throughout 1988 and 1989, DHS administrators and high-level county officials met on numerous occasions to address the philosophical, operational and resource concerns expressed. In each instance, efforts were made together to respond to all questions and solve all county concerns about the REACH program. Additionally, a range of proposals and resources were offered for the implementation of REACH demonstrating the state's willingness to tailor the program to meet the circumstances and needs of Essex County. These included the initiation of a small pilot program, in an effort to ensure that AFDC applicants and recipients in Essex be extended the opportunities and services built into REACH that were being provided statewide. Progress was modest and county officials remained reluctant to initiate a local planning process and a REACH Planning Committee.

Eventually, agreements were reached regarding negotiated levels of funding and service for a REACH pilot in Newark exclusively and then full operations county-wide. As a result, a public ceremony was held in April 1989 announcing the start of a REACH pilot in Essex. While funding was allocated and case management staff hired and trained at that time, issues continued to be raised. Consequently, actual employment and training activities and supportive services to clients, with the exception of the Medicaid extension, were not made available until the fall of 1989.

Currently, issues of local planning, operational progress and resources are being worked out. The department has been assured that Essex County will fully adhere to the expectations and requirements of both the REACH statute and the federal JOBS program. In the event that progress and existing cooperative measures are not successful, the department will need to look at other options to provide REACH services to Essex's AFDC population.

The Evaluation of REACH

As part of both the enactment of the REACH statute and the department's waiver agreement with the federal government, an independent evaluation of the REACH program is required. As stated previously in this report, Mathematica Policy Research, Inc. (MPR) is presently at work on this project, the design of which mirrors the requirements agreed to during negotiation of the federal waivers to implement REACH.

At present, substantial portions of the evaluation work plan are under review and discussion pending completion of a joint department and MPR review of the overall evaluation design. Specifically, the impact and cost-benefit analysis in REACH's evaluation work plan has been made less relevant due to a number of recent events, specifically the enactment of the FSA and the issuance of a multi-million dollar national FSA evaluation contract.

In addition, a major factor in the department's review is the position of federal officials in the US Department of Health and Human Services (DHHS) regarding revisions in the department's REACH waiver package. It is important to note that as part of the waiver negotiations and evaluation work plan development, the federal government requested the use of treatment and control group research methodology in REACH. As a result of the state's resistance to using this methodology, it was agreed that the REACH evaluation impact and cost-benefit analysis be a quasi-experimental design using data gleaned from AFDC records prior to REACH implementation. Conversely, the national FSA evaluation will use treatment and control group research.

Given the current status of the FSA evaluation, and the pressing need nationally for information and best practices on process and implementation of welfare reform efforts to assist other states with JOBS, the department made a request to DHHS in November 1989 to drop the impact analysis, expand the process and implementation analysis, curtail but not eliminate the cost-effectiveness analysis, and retain the qualitative studies. By contrast, the federal government's response was to request a more rigorous analysis, including a move to do treatment and control group research. For example, the federal government has suggested that it might be valuable to evaluate the differential impacts of various treatments or approaches under REACH as an alternative to the current evaluation design. In order to effectively evaluate the differential impact of the treatments, they believe random assignment would be necessary.

Since the department, MPR and the federal government are not eager to continue with the original REACH impact and cost-benefit analysis design because it is not viewed at this time as the most prudent use of time and public dollars, the federal government and the department are still negotiating on future direction. In the interim, the department has taken several steps to resolve this situation. MPR has been directed to proceed with work in certain aspects of the evaluation, and has been instructed to not expend resources on portions of the evaluation whose utility and detailed design remain in doubt. Additionally, the department has proposed a reduced evaluation allocation in the REACH SFY 1991 budget. And, discussions continue with the federal government regarding New Jersey's position on deemphasis of the impact analysis and the use of treatment and control group methodology for REACH.

AFDC Caseload Trends

The Department of Human Services is currently projecting a net state deficit in the SFY 1990 Division of Economic Assistance (DEA) State Aid account amounting to \$43.8 million, based on spending data through early December 1989. Of this amount, roughly \$16.2 million is attributed to unanticipated

expenditures in the three AFDC segments, meaning that a little over a third (37%) of the expected shortfall is due to a higher-than-expected level of AFDC expenditures. These expenditures, based on a cessation of several years of AFDC caseload decline, has serious implications for current state budget decisions for the AFDC and REACH programs, and requires the department to intensify the analysis and monitoring of AFDC caseload trends.

It is important to note that the SFY 1990 DEA budget was predicated on an assumption that the three-year pattern of annual decreases in the welfare rolls would continue, with a decline of 5.7% from the actual SFY 1989 figure. At present, the department projects that the AFDC caseload in SFY 91 will be essentially the same as it was in SFY 1989, roughly 305,000 average monthly recipients (based on early December 1989 data).

In an effort to better understand the reasons for the cessation in caseload decline, the department has identified factors that appear to be involved. The most significant factor in the halt to annual AFDC caseload declines is the slowing of New Jersey's economy. This has been the case in neighboring states in the Northeast, most notably in Massachusetts where a four percent increase in caseload took place in the latter half of 1989. New York, which like New Jersey has not yet seen the caseload increase significantly, is anticipating an increase of about one percent in 1990.

The strongest evidence we have linking caseload dynamics to the economy is the AFDC caseload baseline model of the New Jersey economy commissioned by the federal government for the department's REACH waiver. It shows a very high correlation between three socio-economic variables: unemployment, wage rates and divorce. The growth in unemployment in New Jersey in 1989, after a period of unprecedented lows, was an indicator for an increase in the AFDC caseload. Using the AFDC Caseload Model, a statewide caseload of 21,000 to 27,000 more recipients would have been on the welfare case rolls in the absence of REACH.

In the department's analysis, there has been no evidence in the pattern of applications for welfare in REACH counties, or in any anecdotal evidence from case managers, that more people applied for welfare or stayed longer on welfare since the inception of REACH. The department's analysis has shown that the implementation of REACH and any possible short term effects because of program start-up issues, such as initial slow processing of participants into employment-directed activities, were overshadowed by the forces of the state's economy. Nevertheless, the department will continue to stress to county program managers the importance of advocating for and taking advantage of current healthy local economies for their REACH participants. At the same time, the necessity for longer term investments in training or education for many participants, (especially those who have been on welfare for long periods of time, and those targeted by JOBS) in order to make them job ready in the labor market of the '90s, must be recognized.

In summary, New Jersey can expect AFDC caseloads to increase in SFY 1991 if the state's economy continues to be sluggish. Department analysis shows that changes in the AFDC caseload have historically tended to lag two quarters behind changes in the state's unemployment rate. As a result, the behavior of the state economy in the current quarter will be a harbinger of what New Jersey can expect for AFDC in early SFY 1991. The department will be watching closely the AFDC caseload, as well as unemployment rates and non-public assistance food stamp utilization rates, over the next few months to provide the state with a sound projection for the SFY 1991 AFDC budget.

Outreach to Specific Populations

Welfare recipients are too often viewed as one entity without special consideration of the needs and problems of particular groups within this population. However, interventions such as case management and expanded support services can have very different impacts for different categories of recipients. Central to REACH — especially with the advent of JOBS — is targeting the right services to each client. The mechanism developed to implement this principle is a well trained case manager and effective case management process, in combination with a package of services that are matched to the clients needs. Two subgroups which have come repeatedly to the department's attention as needing special interventions are Hispanic AFDC clients and teen parents.

Hispanic AFDC Recipients: Since the beginning of REACH, some of the most striking demographic data generated through the local planning process concerns the counties' Hispanic populations. Many of the counties have significant numbers of Hispanic AFDC clients. Statewide, roughly 30% of the AFDC caseload is Hispanic, with some counties, such as Hudson, over 50%. During the planning process, counties were directed to adequately address the needs of Hispanic clients since experience had shown that social service, health, and employment training had too often been unable to fully respond to the special cultural, language and economic circumstances of this population.

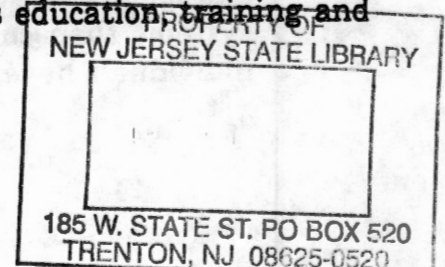
Consequently, counties were asked to propose means for providing a range of specialized services such as bilingual and bicultural case management staff, targeted life skills training, employment-specific ESL programs and entrepreneurial and self-employment opportunities. In response, there are presently 38 bilingual case managers out of a total of 149, representing 25% of the case managers statewide. Also, local program operators have worked toward directing resources to make available more programs targeted to the needs of Hispanic families such as ESL and life skills activities.

Similarly, the department has endeavored to provide technical assistance and resources to help local operators better serve this population. For instance, REACH materials and publications in Spanish have been developed and distributed to all REACH offices. Additionally, through a request for proposal process, \$150,000 was recently awarded to six non-profit community-based organizations. These funds will be used to provide for the development and coordination of culturally and linguistically relevant outreach efforts, as well as sensitivity sessions to staff involved in case management, assessment, and training of Hispanic REACH participants.

Teen Parents: REACH was initially designed to focus on young, first time mothers in an effort to implement a preventive approach to welfare reform. This approach was taken in response to national research that showed that women under age 22 who enter the welfare system remain on assistance for periods lasting ten years or more. Consequently, REACH made a clear deviation from past welfare employment programs by mandating participation for teenage mothers of much younger children (age two and under). This approach is now being applied nationally as the JOBS program requires participation of teen mothers (under age 18) regardless of the age of her children and has designated adolescent parents as one of five target groups.

New Jersey has gained considerable experience with this population of teenage mothers. As part of a national demonstration of innovative approaches to adolescent parenting, the state has been operating its TEEN PROGRESS program in two pilot sites - Camden and Newark - since 1987. These pilot programs offer intensive case management, on-site workshops in parenting, health care, life skills, family planning, nutrition, drug abuse prevention, and other services as needed. Beyond the workshops, the programs offer education, English as a Second Language, basic skills instruction, job skills training, and job search activities.

As a result, much information has been gained about the needs and aspirations of these young mothers which can be used in REACH statewide. For example, it has been found that many of the young women's educational levels are very low, some as low as second to fourth grade, despite having completed much higher grade levels. It is apparent that in many cases this population will require placement in educational activities prior to job training and employment. Also, it has become evident that development of close personal ties with case managers and activities located at the program site enhance the ability of the teenage parents to develop a commitment to the goals of the program, and to receive the continuous support they need. This support is vitally important for the growth of their self-esteem, parenting ability, and aspirations for a future that includes education, training and employment.



The department is encouraging local efforts to extend the experiences and lessons learned from TEEN PROGRESS to the REACH program. Presently, two counties (Atlantic and Passaic) are developing special activities for this teenage population, including the participants' involvement in workshops such as parenting and family planning. In an effort to provide services to this JOBS target population, it is anticipated that additional counties will be developing a package of services to meet their unique needs.

The REACH program's ability to match the right combination of services to each client will be important to ensure an individual's achievement toward employment and support of her family. The department and local REACH Planning Committees must continuously evaluate and assess resources and service delivery to ensure that REACH is responsive to the needs and changing demographics of the AFDC population.

Transition from Welfare to Work

As we approach the third year of REACH operations, New Jersey sees REACH participants who have successfully become employed and moved off welfare, and whose one-year of post-AFDC benefits (child care and Medicaid) are expiring, requiring that they must become economically self-supporting. The transition from the support of the welfare system for many individuals is both financially and personally difficult. Dealing with change and a new way of living is challenging and demanding to many. To maintain the state's investment in its REACH participants, other measures beyond the basic REACH services will need to be provided to participants. Some of the interventions needed by families to prevent them returning to the welfare rolls go beyond the provision of job skills training, completion of an educational activity, or receipt of a regular paycheck.

In order for some REACH participants to be successful in making the transition, the department is finding that supports, in addition to benefits such as child care, must be available to prepare post-AFDC REACH families for an economically independent life and the eventual cessation of REACH benefits. For instance, the prospect of successfully completing job training or education, or securing employment, is impossible unless problems such as drug and alcohol dependency can be addressed. REACH program managers have noted that they are seeing an increase in participants with multiple problems as they phase the existing caseload into the program. They have also found that participants may be unwilling to reveal that they have such problems until long into the REACH process, perhaps after losing one or more jobs.

Harder-to-serve clients need more time and greater access to other social service systems than currently funded through REACH. In many instances, these individuals have been on the AFDC caseload for years. The ability of REACH

case managers to spend more time with these participants, and their ability to secure services within the community (such as drug rehabilitation programs and mental health counseling) expeditiously, is critical. Without adequate social service resources, a case manager's effectiveness is restricted.

Additionally, REACH experience to date has shown that child support as well as information on basic financial planning, child care resources and options, and health care options are essential toward effectively transitioning families off of welfare. The effort spent educating and informing families beginning when they are first referred to REACH is a valuable preventive measure, one which costs little. The importance of well trained and well informed professionals who work with REACH participants at every step of their participation will be continuously stressed by the department.

Finally, for those AFDC recipients with limited or no employment history, the expectations of the workplace and of balancing raising a family and full time employment are unfamiliar. Learning how to establish bank accounts, dressing for interviews and the job, and responding to child care emergencies while working, for example, are essential to remaining off welfare. Life Skills classes and the establishment of support groups and mentor programs have been shown to make a difference for REACH participants and have been funded through REACH in a number of counties. The department will be surveying counties to learn about exemplary practices in this area and to solicit recommendations for ways to help families make the transition from welfare dependency.

In short, as the REACH program matures and as local operators work with harder-to-serve participants, it is the department's goal to encourage maximum use of existing resources to help these individuals to succeed. The state's ability to respond to the longer-term welfare family will be one key test of REACH in the coming years.

Child Support Enhancement

A key element in the potential self-sufficiency of AFDC families is enhanced child support activities. While most efforts within the FSA and REACH are targeted to the mothers, there is a significant emphasis on a range of child support issues. The two most notable in the federal law are the automatic immediate withholding of child support from wages, and the automatic modification of court orders to reflect changes in the non-custodial parent's income. For most single-parent families, the addition of child support, collected on a consistent and timely basis, can make the difference between self-sufficiency and continued reliance on welfare. Without the provision of automatic wage withholding, it is likely that families will continue to

experience non-compliance with court orders, which has meant an eighty-five percent arrearage rate in New Jersey.

The FSA requires that each state enact child support legislation containing automatic modification of court orders no later than October 1, 1990 for the AFDC population. Bills mandating automatic immediate wage withholding were introduced by Senator Costa in the 1987 and 1988 legislative sessions (S-3437, 1987 and S-341, 1988). It is expected that Senator Costa will reintroduce this bill during the 1990 session. It is also anticipated that Assemblywoman Ogden and Assemblyman Roma will reintroduce legislation in the Assembly during 1990.

A strengthened child support component is the only major program element in REACH not yet implemented. Therefore, the department vigorously urges enactment of State legislation mandating automatic immediate wage withholding. Immediate wage withholding could result in potential state AFDC caseload reductions and savings amounting to as much as \$20 million per year, both through recoupments to the AFDC system and by enabling many families to leave AFDC entirely.

Emerging Issues and Possible Initiatives on the Horizon

Across New Jersey, human services, employment and training, education and business professionals, as well as municipal, county and state officials have made a commitment to welfare recipients through implementation of the REACH program in their communities.

REACH and the public assistance system, however, must be responsive to an ever changing environment. To continue to have a positive impact on reforming the system for welfare recipients and taxpayers, attention to emerging issues and new directions will be critical to the long term health and effectiveness of the program.

Fathers of AFDC Children

To date, most welfare reform efforts, both in New Jersey and nationwide, have been targeted to the mothers of children on AFDC. It has become increasingly clear that there has been a lack of attention to the responsibilities of fathers of children on AFDC, and, a growing belief that greater emphasis should be placed on the potential involvement and responsibility of not only the mothers but also the fathers. New Jersey has had pioneering experience with programming for fathers, primarily through TEEN PROGRESS demonstrations in the cities of Camden and Newark and the School Based Youth Services Program.

This initiative would draw upon the lessons learned in these early efforts to formulate a comprehensive and flexible approach to development of a Young Fathers Program to complement REACH. While the involvement of fathers of all ages is important for their children, current efforts within the foundation community and federal government will likely be targeted to young fathers who need employment and training opportunities. Therefore, our initial efforts in this area will be to work with this younger population.

There are several reasons for pursuing such an initiative:

- The involvement of the father in the life of the child could yield deep personal benefits for both;
- Child support by the father is potentially as important as employment and training of the mother in the family's ability to achieve economic self-sufficiency;
- Wrong signals are being sent to children if all of the emphasis and responsibility is placed on the mothers working while the fathers are not present, are not supportive, or are not working; and

- Providing job skills and opportunities for fathers will not only benefit them and their children, but also the overall state economy desperately in need of a skilled workforce.

Developing realistic approaches to this situation will be challenging and complex. Some of the inter-related issues that will impact on program design are:

- Experience among program providers and existing research indicate that many of the fathers of AFDC children are not nearly as young as the adolescent mothers who are targeted by parenting programs;
- In many cases, the father of the child does not continue to be a "significant other" in the life of the AFDC mother;
- There continues to be sentiment among some mothers about protecting the anonymity of the father; and
- There is also recognition that any child support payments made by the father while the child is on welfare go directly to the county welfare agency rather than directly to the family (the AFDC mother receives a \$50 per month incentive payment if she cooperates with child support enforcement but this, too, comes from the welfare agency).

To help the state pursue a Young Fathers Program, New Jersey may have the opportunity to participate in the programs presently being planned by the federal government and private foundations to target services to this population. Based upon current information, it appears that a small number of states will be provided with financial and programmatic resources to provide significant services to young fathers of children on AFDC, and to learn more about successful program models through structured research. New Jersey has received preliminary information from two sources concerning upcoming demonstration programs in this area. One of these is Public/Private Ventures of Philadelphia, which is coordinating a three-state demonstration with funding from the Mott Foundation. The other is the federal Family Support Administration, which is planning to conduct a waiver-based young fathers initiative, in conjunction with the Manpower Demonstration Research Corporation, with funding from the Pew Charitable Trusts.

Building upon experiences gained from programs such as TEEN PROGRESS, the School-Based Youth Services Program, REACH and others involving this population, the department would like to develop an advisory committee of community-based, academic and public agencies to develop program models for a possible demonstration in New Jersey.

Child Care

Child care for AFDC families to enable them to participate in employment and activities leading to employment has always been a key feature of REACH.

The need for child care assistance was identified by AFDC mothers in the department's earliest research efforts in welfare reform, via client focus groups in November 1986. It was essential to these mothers that child care services be provided not only while the family was receiving AFDC, but, more importantly, during the initial period of employment in which the family was off of public assistance and earning a living. Support services during this critical transition period were felt to make the difference between self-sufficiency and the return to welfare that had characterized so many predecessor welfare reform programs. As a result, child care assistance was a key feature of the REACH state statute both while a participant was in education and training, and for one year post-AFDC while a participant is working.

The area of child care, including direct assistance, resource development, training of providers, education and information for participants, and coordination within the service delivery system continues to be critical to the success of welfare reform programs such as REACH and the federal JOBS program. In response, the department continues to look to bettering New Jersey's ability to respond to the child care needs of REACH participants and to enhance the child care infrastructure through a number of initiatives; these include:

Head Start: The FSA requires that states coordinate REACH/JOBS child care services with federal Head Start programs which offer developmental child care to low income families in center-based settings. Traditionally, the majority of these programs have been offered in part-day sessions which has not always been responsive to the needs of parents in full-day training activities or employment. The department is currently planning to formally initiate a partnership to ensure that Head Start programs are available and responsive to the needs of AFDC families (and other low income families who are eligible) and to maximize federal and state program dollars to increase these services. At present, a number of counties are already working with local Head Start operators to coordinate REACH child care service delivery and placements.

Family Support Act Grant: The US Department of Health and Human Services made available through the FSA \$379,922 to New Jersey for child care licensing and registration activities and monitoring of child care service delivery for AFDC families. New Jersey submitted a proposal in December 1989 which begins to address the need to maximize the availability of child

care resources to low income families statewide, both immediately and for the long term, by strengthening the child care infrastructure.

The department proposes the use of the funds to:

- develop in all twenty-one counties a local resource and referral system that families can access free-of-charge;
- develop an incentive program for providers to become registered family day care homes;
- develop a pilot system to monitor the safety and quality of care provided through out-of-home self-arrangements;
- increase the supply of family child care providers through expedited registration efforts; and
- consolidate statewide data collection procedures through automation of the state's child care center licensing system.

Child Care Plus: A Demonstration of Enhanced Child Care Options for Low-Income Families: This \$40 million initiative is a child care research demonstration, funded by the Rockefeller Foundation and the federal government in cooperation with the department and Mathematica Policy Research. This demonstration seeks to test in three counties two major advances over the level and quality of child care services mandated by the FSA. The demonstration will attempt to measure short, medium and long term outcomes of extended and enhanced child care for REACH families. That is, the effect of child care services on the child's pre-school, in-school and post-school performance.

Child Care Plus is planned to be a large demonstration relative to other studies in the field, involving over 2,000 children of approximately 1,800 REACH participants. The observation and analysis period will extend 15 or more years.

Federal Child Care Legislation: In 1989, two major pieces of federal child care legislation were proposed - the Dodd/Hawkins/Hatch Agreement (DHH) and the Downey/Miller Proposal - which could bring considerable resources (from \$6.3 million to \$44 million depending upon the bill) for child care to New Jersey. Both pieces of legislation would provide assistance which would have a positive impact on the REACH eligible population and those REACH participants who leave AFDC for jobs. Congress is expected to pass some major child care legislation during 1990, but the exact provisions are unknown.

Concurrent with the prospective enactment of federal child care legislation is the department's move toward a more comprehensive, less fragmented statewide child care planning process. The goal will be to integrate child care programs funded through a vast array of funding streams such as the Social Services Block Grant, Head Start, REACH and the new federal legislation, and coordinate the allocation of service dollars to ensure maximum effectiveness in service delivery for New Jersey. An Office of Child Care Development has been established within DHS to assure the coordination of planning throughout the department for child care services and programs. Its tasks are to develop new initiatives, as well as to ensure the continued management of specific child care initiatives such as Child Care Plus, the Urban Pre-Kindergarten Pilot Program and REACH child care policy and planning activities.

Attachments

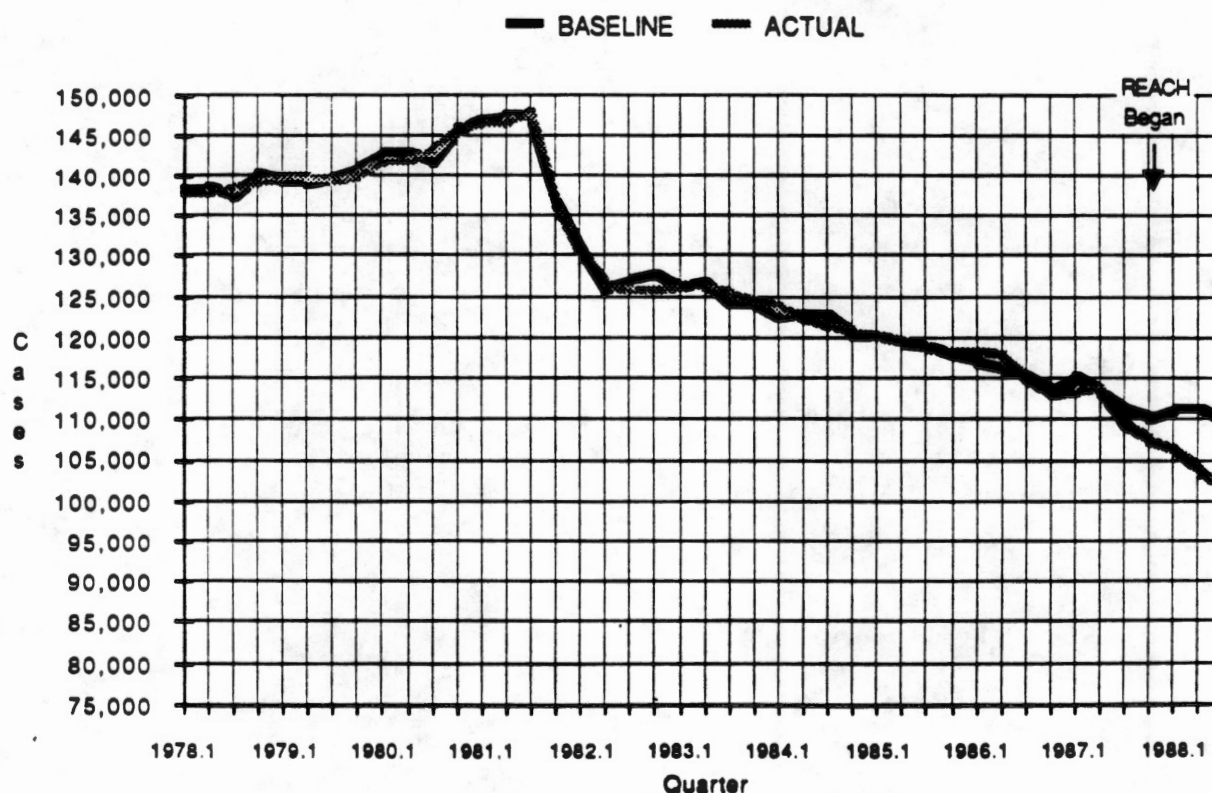
- Attachment A. AFDC Caseload Trend, Segment C, Federal Baseline**
- Attachment B. REACH Non-Exempt Referral and Deferral Activity**
- Attachment C. REACH Program Statistics by County for the Period
October 1, 1987 through December 31, 1989**
- Attachment D. County Service Profiles**
- Attachment E. REACH Program Appropriations and Expenditures
SFY 1988 - SFY 1990**

Attachment A

NEW JERSEY AFDC CASELOAD TREND SEGMENT C

FIRST QUARTER 1978 THROUGH THIRD QUARTER 1988

(Baseline Derived From Federal Econometric Model)



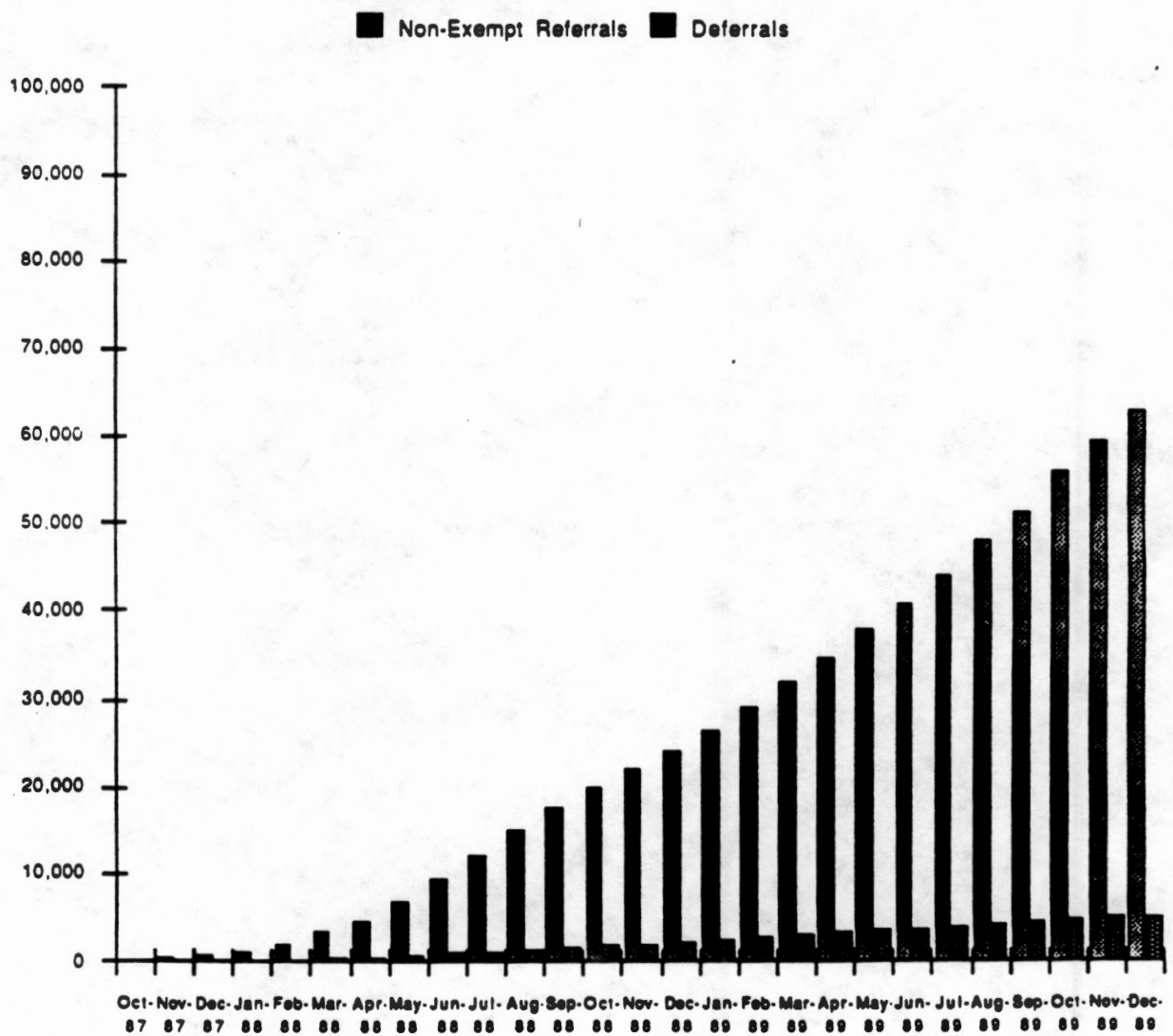
Quarter	Total Cases Below the Baseline	Federal Savings Pool Generated *
1987.4	2,608	\$2.11 million
1988.1	5,088	\$4.12 million
1988.2	7,792	\$6.31 million
1988.3	7,894	\$6.46 million

* Federal AFDC and Food Stamp savings (Does not include Medicaid savings).

Attachment B

**REACH
Non-Exempt Referrals
and Deferrals**

**Accumulated
October 1987 through December 1989**



**DEPARTMENT OF HUMAN SERVICES / DIVISION OF ECONOMIC ASSISTANCE
REACH STATISTICAL ABSTRACT
PROGRAM EXPERIENCE AS OF DECEMBER 1989 (10/1/87 to 12/31/89)**

Run Date: 02/22/90
File Date: 12/31/89

REACH START DATE	STATE	ATLANTIC May-88	BERGEN Oct-87	BURLTON May-88	CAMDEN Mar-89	CAPE MY Jul-89	CUMBLND May-88	ESSEX Apr-89	GLOUSTR Jul-89	HUDSON Mar-89	HUNTDON Jul-89	MERCER Feb-88	MIDSEX Oct-87	MONMTH May-88	NORRIS Jul-89	OCEAN May-88	PASSAIC Feb-88	SALEN Jul-89	SOMSET Jul-89	SUSSEX Jul-89	UNION Oct-87	MARLEN Jul-89	
PROPORTION OF STATE AFDC CASELOAD (12/89)		3.5%	1.9%	2.2%	11.8%	1.8%	3.5%	28.5%	2.3%	15.3%	0.2%	4.5%	3.9%	3.8%	0.8%	2.5%	6.2%	1.1%	0.7%	0.4%	5.3%	0.7%	
REACH ACTIVITIES																							
Participants Who:																							
Completed REACH Orientation	33499	3410	2471	2149	954	403	2037	21	292	350	19	3050	3055	2095	10	1691	4190	129	367	82	5109	15	
Completed Assessment	12052	960	504	1394	507	91	865	0	204	209	31	470	1762	764	8	511	1509	107	120	70	1655	127	
Signed An Agreement To Enter An EDA	11529	940	609	1106	515	56	965	6	102	101	4	1630	891	1272	16	553	931	117	100	35	1369	35	
Were in an EDA *	8039	854	626	673	470	54	752	5	90	102	4	1242	642	843	12	369	816	97	100	32	925	35	
Employment Directed Activities *	13022	1316	994	1513	605	62	1302	0	110	213	5	1591	993	1336	23	734	1091	136	150	35	1481	44	
Training	4152	359	255	574	106	16	407	4	54	149	0	217	360	440	11	253	349	32	41	1	419	17	
Education	5265	446	364	530	167	10	766	1	45	33	5	555	320	457	2	200	535	43	66	25	660	19	
Job Search	4405	511	375	409	332	20	129	3	11	31	0	819	313	431	10	201	207	61	43	9	394	8	
SUPPORT SERVICE PAYMENTS																							
Participants for whom payments were made for: **																							
REACH Child Care While On AFDC	6614	572	330	574	162	13	534	2	36	80	0	420	404	470	1	290	832	41	52	17	760	8	
Training Related Expenses While On AFDC	11520	521	404	1602	100	20	2610	1	84	142	0	1320	502	801	9	746	1150	54	85	19	1141	33	
Post AFDC REACH Child Care	2210	301	129	150	51	7	109	1	5	23	0	191	234	100	0	120	473	11	6	5	204	2	
Post AFDC Employment Related Expenses***	340	46	6	63	11	3	16	1	7	2	0	34	10	32	0	20	31	9	9	2	29	2	
Started Their Medicaid Extension	7161	562	305	394	830	33	825	411	90	419	17	549	719	416	52	306	533	22	51	13	493	41	
EMPLOYMENT ACTIVITIES																							
Participants Employed		9430	901	493	550	889	640	1124	0	101	433	17	903	1040	659	54	436	816	35	68	17	798	48
Who Are No Longer Eligible For AFDC	6750	562	305	394	830	33	825	0	90	419	17	549	719	416	52	306	533	22	51	13	493	41	
Who Remain Eligible For AFDC	2680	339	188	164	59	7	299	0	11	14	0	354	321	243	2	130	283	13	17	4	305	7	
With Transitional Services Only ****		4670	322	206	210	779	19	507	0	70	402	17	330	457	260	51	209	405	15	40	0	309	39
With Full REACH Services *****	4752	579	207	340	110	21	617	0	23	31	0	565	503	399	3	227	411	20	20	9	490	9	

- NOTES: * Since participants may engage in more than one activity during a period, the actual number of participants in an Employment Directed Activity (EDA) may differ from the number of Employment Directed Activities.
- ** Computer records of participants receiving payments for child care and TREs were not kept prior to 7/1/89. The figures presented here are based on estimates from the manual records kept prior to 7/1/89 and the actual figures after that date. The figures do not include people who received support services during certain short-term activities such as Assessment.
- *** The disbursement of post AFDC Employment Related Expenses support services began during July 1989.
- **** These participants receive post-AFDC Medicaid Extension and may also receive post-AFDC child care and child support through REACH.
- ***** Since Essex County does not provide Post-AFDC Child Care to REACH Participants no REACH employment activity can be claimed.
- ***** These participants have completed orientation. Their subsequent REACH participation may include EDAs and support services. They also receive post AFDC transitional services as those above (see note *****).
- DEA is working with Essex county staff to eliminate computer system "start-up" difficulties that have impacted Essex county data.

SOURCES OF DATA: Various OREGA and FANIS reports, (DEA); REACH Activities Summary(RNH64); Issuance Disbursement Summary(RNH703 17); and AFDC Cases Closed Due To Increased Income/Employment.

SC/JS/MD/JR

REACH COUNTY SERVICE PROFILES

December 1989

County	REACH Program Implementation Date	REACH Case Management Agency	REACH Vocational Educational Assessment Providers	REACH Job Search Providers	REACH Lead Child Care Agency	AFDC Caseload*
Bergen	October 1987	Bergen County Board of Social Services	Bergen County Private Industry Council, Inc. (JTPA)	Bergen County Private Industry Council, Inc. (JTPA)	Bergen County Office for Children	2,116
Middlesex	October 1987	Middlesex County Board of Social Services	Middlesex County Employment and Training Department (JTPA)	Middlesex County Community College	Middlesex County Board of Social Services	4,312
Union	October 1987	Union County Division of Social Services	Union County Community College	Union County Division of Employment and Training (JTPA) and NJ Employment Service (JTPA)	Union County Community Care, Inc. (4C's)	5,556
Mercer	February 1988	Mercer County Board of Social Services	Mercer County Office of Training and Employment Services (JTPA)	NJ Employment Service	Child Care Connection, Inc.	4,734
Passaic	February 1988	Passaic County Board of Social Services	Private Industry Council of Passaic County Inc. (JTPA)	NJ Employment Service	Passaic Child Care Coordinating Council	6,629
Atlantic	May 1988	Atlantic County Board of Social Services	Atlantic County Division of Employment and Training (JTPA)	NJ Employment Service	Atlantic Women's Center	3,566

Attachment D

* As of September 1989

County	REACH Program Implementation Date	REACH Case Management Agency	REACH Vocational Educational Assessment Providers	REACH Job Search Providers	REACH Lead Child Care Agency	AFDC Caseload*
Burlington	May 1988	Burlington County Welfare Agency	Burlington County Community College and NJ Employment Service	NJ Employment Service	Burlington Community Action Program	2,562
Cumberland	May 1988	Cumberland County Welfare Agency	Cumberland County Office of Employment and Training (JTPA)	NJ Employment Service	Tri-County Community Action Program	3,789
Monmouth	May 1988	Monmouth County Board of Social Services	Brookdale Community College	NJ Employment Service	Monmouth County Board of Social Services and United Way	4,014
Ocean	May 1988	Ocean County Board of Social Services	Ocean County Private Industry Council (JTPA) and Pinelands - Lakewood Consortium	NJ Employment Service and Ocean County PIC	The Children's Home Society	2,613
Hudson	March 1989 Pilot Sept 1989 (full program)	Hudson County Division of Welfare	Hudson County JTPA, NJ Employment Service and Jersey City Corp. for Employment & Training, Inc.	Hudson County Employment Network and Hudson County Division of Employment and Training	Passaic Community Coordinated Child Care	15,318
Camden	May 1989 (Pilot) July 1989 (full program)	Camden County College	Camden County Employment and Training Center (JTPA)	Camden County Employment and Training Center JTPA)	Camden County Division of Children	12,353

* As of September 1989

County	REACH Program Implementation Date	REACH Case Management Agency	REACH Vocational Educational Assessment Providers	REACH Job Search Providers	REACH Lead Child Care Agency	AFDC Caseload*
Essex	April 1989 (Pilot) April 1990 (projected for full program)	Essex County Division of Welfare	Essex County College; Wise Women's Center; Jewish Vocational Services and The Occupational Center	County of Essex Office of Employment and Training (JTPA) and City of Newark, Mayor's office of Employment and Training	Essex County Department of Citizen Services	29,743
Gloucester	July 1989	Gloucester County Board of Social Services	County of Gloucester Employment of Training Administration (JTPA)	JTPA subcontract with NJ Employment Service	Educational Information and Resource Center (EIRC)	2,433
Hunterdon	July 1989	Hunterdon County Board of Social Services	Hunterdon County Adult Education; Career and Life Planning Center; Center for Educational Advancement; Employment Services; Raritan Valley Community College	Career and Life Planning Center	Northwest Community Action Program (NORWESCAP)	217
Morris	July 1989	Morris County Board of Social Services	Parsippany Adult and Community Education (PACE)	PACE	Children's Services of Morris County (CSMC)	826
Salem	July 1989	Salem County Board of Social Services	Salem County Office of Employment and Training (JTPA) and NJ Employment Service	NJ Employment Service	Tri-County Community Action Agency	1,195

County	REACH Program Implementation Date	REACH Case Management Agency	REACH Vocational Educational Assessment Providers	REACH Job Search Providers	REACH Lead Child Care Agency	AFDC Caseload*
Somerset	July 1989	Somerset County Board of Social Services	Somerset County Board of Social Services; Somerset County Vo-Tech and Raritan Community College	NJ Employment Service	Catholic Charities	698
Sussex	July 1989	Sussex County Board of Social Services	NJ Employment Service and Sussex Community College	NJ Employment Service	Northwest Community Action Program	438
Warren	July 1989	Warren County Board of Social Services	Private Industry Council of Morris, Sussex and Warren Counties (JTPA)	NJ Division of Employment Services	Catholic Charities	727
Cape May	July 1989	Cape May County Board of Social Services	Cape May County Division of Employment and Training (JTPA) and NJ Employment Service	NJ Employment Services	Tri-County Community Action	879

* As of September 1989

Attachment E

**REACH
APPROPRIATIONS VS EXPENDITURES
STATE FISCAL YEARS 1988, 1989, AND 1990 TO DATE**

Line Item	SFY 1988		SFY 1989		SFY 1990	
	Appropriation	Expenditures (3)	Appropriation	Expenditures (4)	Appropriation	Mid-Year Expenditures (5)
Case Management	\$1,700,000	\$1,182,222	\$9,781,000	\$7,326,555	\$16,007,000	\$6,275,906
Medicaid	\$1,560,000	\$239,000	\$6,450,000	\$4,134,863	\$9,807,000	\$3,080,444
Job Search	\$1,000,000	\$499,617	\$1,843,000	\$1,560,859	\$8,189,200	\$1,641,363
Child Care	\$3,800,000	\$1,426,819	\$16,488,000	\$5,788,353	\$20,088,741	\$6,240,737
Training Related Expenses	\$1,220,000	\$66,569	\$5,513,000	\$1,079,195	\$5,613,000	\$1,026,658
JTPA Supplement	\$2,000,000	\$1,021,357	\$5,487,000	\$3,719,990	\$10,000,000	\$3,203,600
County Planning		\$197,056	\$680,000	\$628,992	\$945,000	\$492,163
County Start-Up		\$123,600	\$225,000	\$482,803	\$286,000	\$135,426
Marketing		\$13,413	\$200,000	\$172,624	\$300,000	\$100,152
Performance/Incentive			\$500,000	\$374,126	\$0	\$94,954
Urban Impact			\$300,000	\$266,657	\$300,000	\$1,000
OMEGA		\$1,097,139	\$2,600,000	\$3,423,872	\$4,050,000	\$1,538,862
Administration (1)	\$1,220,000	\$453,244	\$975,000	\$544,033	\$975,000	\$237,870
Life Skills Training pilot			\$400,000	\$12,688	\$0	\$0
Self-Employment Demonstration			\$200,000	\$0	\$0	\$0
Evaluation		\$5,600	\$300,000	\$49,251	\$260,000	\$123,732
Total	\$12,500,000	\$6,325,636 (2)	\$51,942,000	\$29,564,861	\$76,820,941	\$24,192,867

(1) In SFY 1988, Planning, Start-Up, Marketing, and OMEGA were combined under the line item Administration.

(2) An additional \$2,000,000 was converted from the operations account into a capital account for child care capital expansion.

(3) Source: 4th Quarter/Year End SFY 1988 REACH Legislative Report

(4) Source: 4th Quarter/Year End SFY 1989 REACH Legislative Report

(5) These figures reflect actual and preliminary expenditures for the first 6-months of the fiscal year ending June 30, 1990.