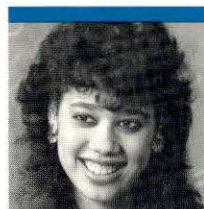
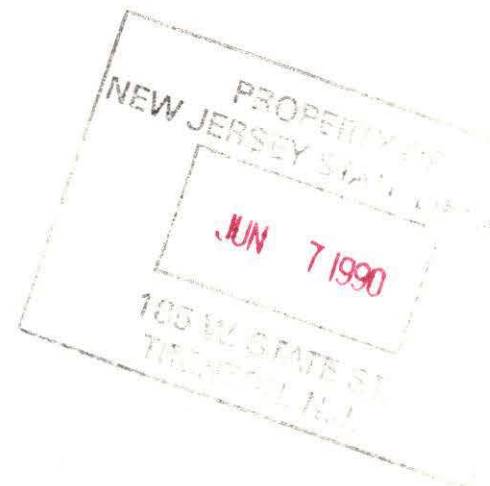


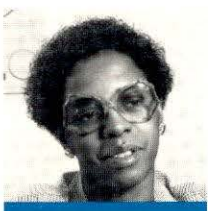


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REACH

Realizing Economic Achievement



An Investment in People

REACH

Realizing Economic Achievement

Program Report

Thomas H. Kean, Governor
State of New Jersey



Drew Altman, Commissioner
Department of Human Services

Foreword....

This is the Department of Human Services' first report on REACH (Realizing Economic Achievement), New Jersey's welfare reform program. This report gives a "snapshot" of REACH's progress in its early months, and explains how planning and partnerships made REACH a reality. It shows why REACH makes good sense for New Jersey and how REACH has become a national model for welfare reform.

But these are only REACH's first months, and while implementation is proceeding as planned and things are going well, we're still at a very early stage of a major overhaul of the welfare system in our State. A change of this magnitude takes time, hard work and patience. In addition, we must not expect more from REACH than it can deliver. No welfare reform program, by itself, can solve the problems of discrimination, low income housing and poverty, nor can it be expected to be an answer for everyone on welfare. But it can get the welfare system moving in a better direction, and help thousands of poor women and children in the process.

This last point has received special attention in this first REACH report--how REACH is investing in people by helping women on public assistance become self-sufficient. In this report you will read what some of them say about their experiences. These are proud women who have found new hope for the future. If we can build on their pride and enthusiasm and provide others like them with the opportunity to realize their potential, REACH will be successful.

Program planning and implementation can't provide what these first participants have given to REACH: a belief in the program's philosophy that says it's better to work than spend a life on public assistance. REACH makes the investments in education, training, jobs and supports that make that possible. □

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The Program

REACH, Realizing Economic Achievement, is New Jersey's welfare reform program.

REACH has changed the ground rules for public assistance in New Jersey, for both the recipient and government. Under REACH, recipients must do all they can to support themselves and their families by getting a job, by entering job training or by finishing school; government has the responsibility to provide the opportunities, such as job training, and to remove obstacles, such as lack of day care and medical coverage, that prevent a young mother with children from going to work or from finishing school.

REACH shifts the emphasis of public assistance from a program that encourages dependence to one that emphasizes self-sufficiency and opportunity.

For all able-bodied recipients of Aid to Families of Dependent Children (AFDC), whose children are two years of age or older, REACH requires education, job training or work as a condition of welfare support. REACH expects that welfare recipients will take steps to build for their future and to support their families by attending school, entering a training program, or going to work.

In return, REACH provides job training and job placement services, child care, extended Medicaid coverage and other supports that are needed if a woman with children takes a job, enters job training or goes back to finish school.

REACH isn't a "workfare" program requiring that recipients "work off" their grants in public sector jobs, as other states have done. Instead, it offers real training aimed at real long term gains. New Jersey's REACH program recognizes that both the recipient and the government must change their ways if public assistance is to be a positive force. Both have obligations if we are to set welfare right.

But it's important to be realistic about what REACH or any welfare reform program can do. REACH seeks to change an entrenched institution—the welfare system. This is a slow and difficult process, like altering the course of a super tanker in the open seas. Large systems, like large ships, cannot turn on a dime. And REACH isn't a panacea. It won't end poverty, eliminate discrimination, solve the low-income housing crisis, or move everyone off the welfare rolls. REACH can, however, turn around the welfare system in

"Through programs like REACH government will win. Business will win. Taxpayers will win. But most importantly the children will win."

Governor Thomas H. Kean

New Jersey, help thousands trapped in the despair of a life on



Governor Thomas H. Kean

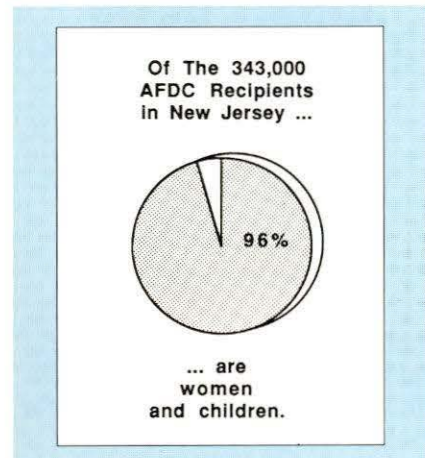
public assistance, offer substantial increases in self-help services for low-income people, and pay for itself in the process. While REACH isn't a solution to all the ills facing society and those on welfare, we will have no bigger chance to build an appropriate social policy in the area of welfare.

REACH's progress so far, as shown in this report, is just what was expected: a steady, measured approach to changing what has been a problem-ridden and intractable public assistance system. What welfare has become took decades to create. The solution will not occur overnight. To expect too much too soon will compromise the difficult task of correcting a failed system. REACH isn't a quick fix; it's a solid, long-term way to solve a complicated problem.

But when all the facts have been considered there's none more important than this—REACH helps people help themselves. REACH is an investment in people. ■

National Perspective

Aid to Families with Dependent Children (AFDC) began with the New Deal, when federally-supported public assistance became law in the Social Security Act of 1935. Originally a program designed to help widows



and wives of disabled workers and their children, AFDC has become an extensive national program serving nearly 11 million people. There are currently 343,000 people on AFDC in New Jersey; 96 percent of them are women and children and two out of three of New Jersey's AFDC recipients are children.

The growth of AFDC and the increased number of women in the labor force, especially women with young children, provide impetus for changing the AFDC program.

Still another impetus is AFDC's staggering cost. Last year New Jersey taxpayers spent \$1 billion on AFDC and on the Medicaid and food-stamp programs that accompany it.

Since the 1960s debates have raged about what to do to im-

prove this outdated and costly system. Some say that government hasn't done enough to help poor people; others say welfare programs, by encouraging dependency, have done more harm than good.

While the national debate over AFDC continues, New Jersey has come up with an answer: REACH. While other states wait for federal guidance, New Jersey has resolved to move ahead. While other states have "tinkered at the margins" of the welfare system, New Jersey realizes that the welfare problem is too massive for "tinkering." New Jersey has chosen not to wait for federal legislation, but to restructure its AFDC system now.

REACH - A National Leader

REACH is one of the most ambitious welfare employment programs in the country. Why?

- Because it sets economic independence as the goal for all able-bodied AFDC recipients, not just a segment of the AFDC population. Currently, a woman who receives AFDC doesn't have to participate in any work-related activity until her youngest child is six years old. But mothers with young children account for 60 percent of all AFDC expenditures.
- Because REACH emphasizes prevention and directs its most intensive efforts towards young, first-time mothers—a population with the greatest likelihood of being trapped in welfare for long periods of time. Currently, more than one-third

of recipients under the age of 22 will remain on AFDC for periods lasting 10 or more years. Overlooking this group would ignore the most important challenge in welfare reform: helping young mothers avoid the welfare trap.

- Because REACH offers child care and Medicaid benefits for up to a year after AFDC recipients go to work.

There are still other distinctions:

- REACH provides counties with flexibility in designing REACH services and in making decisions about appropriate services to match the specific needs of their welfare recipients: REACH recognizes that what works in Hudson may not work in Hunterdon county.
- REACH concentrates on jobs and job preparation, with support services that help the AFDC recipient get a foothold in the labor market.

REACH is ambitious, but it's also grounded in the reality of New Jersey's economic growth. New Jersey boasts a low jobless rate, and estimates show that in the next several years 600,000 jobs will be created in the state. However, economists project shortages of skilled labor in New Jersey in the near future and entry level jobs go unfilled in some parts of the state. A November, 1987 survey of New Jersey businesses found that 68 percent of respondents expect labor shortages to force them to hike wages. In addition, 58 percent said they expect labor shortages to worsen in 1988.

At the same time, nine-in-ten New Jerseyans approve of REACH and agree that the state should assume some responsibilities and costs to make welfare reform work. In one poll, more than seven-in-ten people surveyed said that with State-provided day care services, women on welfare with children 2 years or older should work. The poll gives us some insight into this finding:

...(REACH) elicits such widespread and overwhelming support because it appeals to a combination of values that are important to the public—like the idea that people should work to support themselves if they are able to, and that government has an obligation to help people in need. The result is that people who may have very different ideas about what's wrong with the current welfare system can nonetheless see something that they like about this proposal.

What Makes REACH Work?

REACH's design, which reflects the input gained from advocacy groups, the public and private sector, human services agencies and welfare recipients themselves, includes the following key components:

- **Education, Employment and Training Focus:** Single parents with children over two years of age must (unless exempted for good cause) participate in an education, employment, or training activity that sets them on the road to self-sufficiency. The State provides funding for needed opportunities and supports, including child care and

Medicaid coverage continuing after employment begins, training-related stipends, education, vocational assessment and job training.

- **Individualized plans for self-sufficiency:** REACH services vary according to the needs of participants, and participants help to determine the services they need. Each REACH participant works with a case manager to develop a REACH agreement, or plan, which describes what path she will take to achieve economic independence and what services the state will provide to help her get there.

- **Case Management:** Every county REACH program must have a case management system. Case managers make sure that participants get the services they need to become self-sufficient: job preparatory services like training, education,

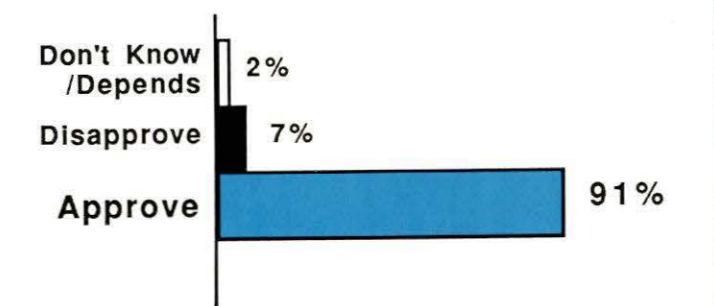
job search and counseling, or support services such as child care, extended Medicaid coverage and training-related expense benefits.

Case management may seem to be a simple innovation, but until now there's been no one in the system whose express purpose is to help people get off welfare.

Case managers also follow a REACH participant's progress to ensure that planned activities occur, to correct problems that arise in getting services to a participant, and to help the participant plan for the future.

- **County Planning:** REACH emphasizes county planning. New Jersey's 21 counties vary widely in the size of their AFDC population, the availability of their education and training resources, the nature of their labor market, and the

9 out of 10 New Jerseyans Approve of REACH



Star Ledger/Eagleton Poll-March 15, 1987

cost and availability of their support services. Also, local planning helps keep REACH responsive to the needs of participants, no matter where they reside in the State. While all counties must offer specific services and operate within state-wide guidelines, local



planning ensures that each county decides how it will organize and administer its REACH services.

Multi-Year Phase-In: REACH started in October, 1987 in three counties: Bergen, Middlesex and Union. Passaic and Mercer counties joined the program in February, 1988. In May, 1988 Burlington, Monmouth, Ocean, Cumberland and Atlantic begin their programs. The remaining-counties will be phased-in during state fiscal year 1989.

In addition to county phase-in, REACH also phases-in the AFDC caseload. At first, mandatory participation applies only to new AFDC applicants and reopened cases. After six months, those already receiving benefits will enter the program on a

mandatory basis. Of course, volunteers are accepted and encouraged at all times.

This orderly phase-in of counties and of cases helps REACH to learn as it expands, to avoid repeating mistakes and to strengthen the welfare system as it reforms it.

Child Support: REACH gives high priority to child support collections in AFDC cases. With full support of the absent father, women and children will ultimately have to rely less on public assistance for support. In

fact, in the past year, New Jersey was second in the nation in helping families to leave welfare due to increased child support collections; in 1987, 10,557 cases were closed for that reason, with an estimated savings of \$45.5 million.

REACH expects to increase the enforcement of child support through its concentration on reforms of the child support system: the systematic upward modification of court orders, taking into account any changes in the absent parent's financial situation; automatic, immediate wage withholding for absent parents; and working closely with absent fathers, as in the TEEN PROGRESS program, to help them enhance their skills to better support their families.

Building on Existing Systems: REACH uses and enhances existing education, training and employment services and works with public and private agencies at the State and local level to get those services to REACH participants. Using these existing services gives REACH an impact larger than could be expected if it created its own services. Without this feature, REACH would be too expensive to undertake. This approach also avoids establishing separate, and perhaps, unequal systems of training, education, and child care for REACH participants.

In addition to REACH, the centerpiece of New Jersey's welfare reform effort, two of its

other components, the Atlantic City Casino Employment Initiative and TEEN PROGRESS, assure New Jerseyans that we are taking every opportunity to reform the welfare system.

Atlantic City Casino Employment Initiative

While still planning for REACH, the Department of Human Services began the Atlantic City Casino Employment Initiative. This program provides an excellent example of a public/private partnership for creating jobs for welfare recipients. It also affirms REACH's realistic focus on training and employment: job opportunities can be identified and public assistance recipients can be placed into them.

Atlantic City's twelve casino hotels have pledged over 500 jobs for welfare recipients for each of the next three years. To help participants make the transition from welfare to work, the State legislature has provided \$1.1 million in State resources for post-employment child care and transportation benefits. The Atlantic/Cape May Job Training Partnership Act (JTPA) Service Delivery Area (SDA) and the Cumberland/Salem SDA have devoted JTPA and New Jersey Job Training Program funds for skills training and basic education for program participants.

Like REACH, the Atlantic City Casino Employment Initiative provides support services to AFDC recipients to allow them to take the jobs committed by the casino industry. The program offers child care and transportation services to participants, and it provides training-related expenses for thirteen weeks of orientation and training.

The initiative began on a small scale in February, 1987 and was in full operation by July, 1987. By January, 1988, 388 participants had been placed in hotel/casino jobs, earning an average of \$6.15 per hour, with health benefits included. The program will exceed its first year goal of 500 placements by July, 1988. In May, 1988, REACH will begin in Atlantic and Cumberland counties, extending the opportunities for employment and support beyond those in the Casino/hotel industry. The two initiatives will be closely coordinated.

TEEN PROGRESS

In October, 1986 the Department of Human Services received a four year, \$7.3 million Federal/State grant to begin a welfare reform demonstration project in the cities of Newark and Camden. TEEN PROGRESS will demonstrate that early intervention reduces long term welfare dependency.

"REACH is not a cure-all for the problems we face as a society or a state. It's not a solution to poverty; it won't end discrimination; it won't end the housing crisis. But it can turn around the welfare system, help thousands of poor women and children, and pay for itself in the process."

Human Services Commissioner
Drew Altman

Being a young AFDC applicant is a strong predictor of long-term dependency; young mothers have almost a 4-in-10 chance of remaining on welfare for periods lasting 10 years. But helping



Drew Altman, Commissioner

teenage AFDC recipients requires a long term commitment and an array of comprehensive services. That's why TEEN PROGRESS is a "litmus test" for welfare reform; helping this younger population break the cycle of welfare dependency will be a crucial test of welfare reform in New Jersey.

TEEN PROGRESS helps new teenage AFDC applicants with one child by providing parenting and life skills, vocational assessment and counseling, job skills training, basic education and Graduate Equivalency Degree (GED) preparation. Mothers with children as young as six months of age can participate in TEEN PROGRESS and can receive child care, transportation, extended Medicaid coverage and other supports, just as they could in REACH.

The project also helps young fathers to become adequate providers for their families.

The federal government has selected Mathematica Policy Research Inc., a nationally recognized research and consulting firm, to evaluate the project's success.

TEEN PROGRESS started on October 1, 1987.

participate in other REACH programs and to gain employment.

Research shows that an alarming percentage of AFDC recipients have pronounced educational deficiencies that must be addressed before they can enter the job market and move towards self-sufficiency. Their participation in REACH's educational component means that they will be better equipped to fulfill their plan for self-sufficiency.

Community Work Experience, which offers the opportunity of placement in jobs in the public and not-for-profit sectors to participants who, for a number of reasons, including personal difficulties and lack of job experience,

employment and economic independence.

Assessment and Counselling, which helps match recipients' job skills, job preferences, and educational status to appropriate jobs, training, or education programs.

Support Services

Support services, such as those described below, make REACH significantly different from other welfare reform programs and from the Work Incentive Program (WIN). In fact, lack of support services was the main reason for the failure of WIN. These services, considered essential to move recipients into the workforce, will account for over two-thirds of the REACH budget.

Case Management, which makes REACH work. The case manager becomes the

an applicant's eligibility for public assistance.

Under REACH, both the case manager and the participant determine what services the participant needs to become job-ready. Then the case manager helps the participant obtain these services. But the job doesn't end there. The case manager monitors the participant's progress—to ensure that intended activities take place, to correct any interruptions in services, and to determine any changes in the participant's needs or eligibility status.

The Department of Human Services conducts a comprehensive training program for all new REACH case managers, before they go on the job. This four-day training program covers every aspect of social casework and provides new case managers with the vital information they will need to help their clients. For example, experts train case managers on REACH regulations, motivational and negotiating techniques, child care resources, computer systems and information management and monitoring the progress of participants.

In addition, the Department and the counties conduct ongoing training for case managers, income maintenance workers, social service staff and community representatives.

By the end of REACH's first year, about 100 Case Managers will be on the job in ten counties. These professionals are drawn from the most qualified applicants in the human service field and must have previously demonstrated their abilities to help and motivate people.

Child Care, which assists REACH participants who need care for infants, preschoolers and school-age children. Recognizing this need, REACH planners developed a flexible, county-based approach to child care that focuses on local assessment and resource development. At the county level, REACH requires a lead child care agency to design an effective child care system.

REACH calls on the local community to determine its child care needs, to assess its resources and to develop and implement a plan to fill in the gaps in services. This enables REACH participants to choose the child care arrangement that best meets their family's needs, and get the financial help to pay for it.

REACH also recognizes the need to develop additional family day care homes to serve participants and their children. In fact, becoming a family day care provider presents a viable career option for many interested REACH participants; several counties are now developing family day care job training programs for REACH participants either through JPTA and/or the county college.

Experience with other state welfare reform initiatives and national studies show that while approximately

expansion explains why child care is and will remain the largest single budget item in REACH.



cannot find employment. Such job placements provide these REACH participants with the work experience they need to better prepare themselves for unsubsidized

link between the REACH participant and all of the program's services. This is a new role; the AFDC system to date focused primarily on determining



one-third of welfare recipients will need some form of formal child care provided by the state, many others will choose to make their own arrangements, utilizing family day care or care with relatives. This client choice will ease the demand on the formal child care system, but notwithstanding this factor, the child care system in New Jersey needs to expand significantly in the future to make REACH a success. The need for this

Medicaid coverage, which protects REACH participants from loss of all health care benefits when they enter a job that doesn't carry employee health coverage. Those who enter jobs that offer medical coverage would make use of their employee health benefits. In such cases, Medicaid would remain the payor of "last resort," picking up only those costs not covered by the employer's health benefits package. In addition to

extended coverage, REACH case managers will help former welfare recipients find coverage by informing them about health plans in which they can enroll.

■ **Training Related Expenses**, which support REACH participation by giving each full-time participant in a REACH training, education, or employment component \$6 per day or \$30 per week to meet the costs of transportation and other training-related expenses. This represents an increase of 33 percent over the WIN payment of \$22.50 per week.

Recognizing that the quantity and quality of transportation systems vary across the state, REACH, as part of its county-based planning process, encourages counties that lack well-developed public transportation systems to develop a transportation plan to address the needs of welfare recipients. To help REACH participants get transportation services, the Department of Human Services has entered into an agreement with the Department of Transportation/New Jersey Transit to make available fare discounts for REACH participants on public bus and rail lines. These discounts can amount to over 1/2 the fare in some instances.

"These are not shiftless loafers looking for a free ride. More that nine in ten are young mothers with small children. Two out of three are children."

Governor Thomas H. Kean

The Clients

Why do many welfare clients experience difficulty making the transition from welfare to work?

Most welfare recipients are proud people who want a chance to work, but don't have the education or the training they need. Many are discouraged about staying on welfare, but they fear that taking a job that doesn't provide them with health insurance will leave their children defenseless against illness. Many welfare recipients are women who recently lost a job or a husband; women who need a safe place to leave their children if they go to work.

The Department of Human Services' experience with the AFDC/ Home Health Aide Demonstration and other employment programs for welfare recipients proved what many had realized for a long time: given the choice, welfare clients prefer to work. With only a limited number of slots available, the AFDC/Home Health Aide project had to turn away hundreds of recipients who applied for positions. Almost half of the accepted applicants for the program had children under the age of six.

Human Services Commissioner Drew Altman and Department staff have traveled across the State to speak with welfare clients and have asked them what they see as the barriers to their getting jobs. These clients cited lack of child care and lack of health coverage as two significant obstacles to employment. Over and over, welfare recipients expressed their frustration about

finding jobs, but not being able to take them because of the expense of child care. Many mothers felt that the prospect of losing their Medicaid benefits prevented them from leaving welfare. Still others talked about the welfare "system," and how they saw posters and read flyers about training and educational classes, but didn't know how to go about receiving those services.

Speaking with welfare clients confirmed what providers in the system had always maintained: welfare recipients are no different from anyone else—they must weigh the pros and cons in making difficult decisions and must decide on the best choice for themselves and their families.

But REACH will alleviate this dilemma. REACH removes barriers to employment by providing child care, training related benefits, and Medicaid benefits during REACH participation and for one year after employment.

REACH case managers help clients understand how to get the services they need to find and how to keep good jobs.

REACH changes the welfare system from what was primarily a payments system to one that emphasizes employment and training.

REACH calls upon welfare recipients to take the necessary steps to make the transition from welfare to work, but it doesn't expect the welfare recipient to go it alone.

Some participants have shared their feelings about their lives and how they have benefitted from REACH. Each has a unique story to tell.

Luz Mercado, 15

Luz Mercado has done a lot of growing up in the past year.

Luz lives by herself in Camden and provides for her six month old baby through AFDC. She left school when she was in ninth grade and became pregnant. Although she went back to school for a short time, she missed a lot of classes when her baby got sick; after that she didn't go back any more. The father of Luz's child doesn't live with them but provides child support.

Luz was referred to TEEN PROGRESS by the county welfare agency in Camden. In the program she can take care of herself and her daughter, get the financial support she needs, and go to school at the same time. What Luz likes best about TEEN PROGRESS is that all the girls in the program are in the same situation as she is: they're young, they have children, they are on AFDC, and they don't want to be on AFDC forever.

"Everyone is so easy to talk to," says Luz. "They all understand. I really like the people."

Luz plans to work toward getting her GED and then she'd like to apply to college. She wants to become a computer program specialist or a counselor. She'd also like to work with children.

Luz says that she's happy the program was there for her. In addition to her school subjects she's been learning about many of the every day skills she needs to get a job. She was especially pleased with the job training part of her classes.



"If this program hadn't started I don't know what I would have done. I'm so happy now because it will get me to where I want to be. I mean, this program is the best."

After job training classes Luz began focus classes where she learned about setting goals and even stress management.

"We learned to keep our mind on our goal. You learn how to get along better with people. It gives you more control of your life.

Luz hopes that through TEEN PROGRESS going it alone won't be quite so difficult in the future.

"If this program hadn't started I don't know what I would have done. I'm so happy now because it will get me to where I want to be. I mean, this program is the best."



"I'm glad to be on REACH because I was really discouraged when I had to go back on welfare. This is a way out and a way for me to learn and have a career."

Patty Malejko, 26

Patty hated not being able to walk into a Kiddie City and buy toys for her kids. She also wished that could shop in a department store and buy something just for herself.

"I'd been on welfare for almost three years and was getting very discouraged; I didn't feel useful and had poor self-esteem. Last year I got off welfare and worked part-time, as a nurses aide. I also got a job doing secretarial

work, but didn't have experience. At first they didn't want to hire me, but I begged them for a chance. They had to let me go because of my lack of experience. It wasn't their fault."

Patty, a single parent with two sons, four and eight years old, lives in an apartment near Highland Park. She wasn't getting the regular child support payments she deserved and she had to turn to AFDC to survive. Patty managed to leave AFDC in December, 1986, but she found it difficult to support her children; she came back on welfare in 1987.

But when Patty applied for welfare this time she found something new—REACH. Patty had no reservations about signing up for the program.

"I'm glad to be on REACH because I was really discouraged when I had to go back on welfare. This is a way out and a way for me to learn and have a career," says Patty.

Patty and another REACH participant were invited by Governor Thomas H. Kean and Human Services Commissioner Drew Altman to share their feelings about REACH at the National Governor's Association Winter Meeting in Washington, D.C.

When asked by one governor how she felt about REACH being mandatory Patty replied, "If somebody is going to make you go to school, and if somebody is going to pay for you to go to school and pay for your babysitter, I don't feel you're being forced into it; I feel it's a gift."

"I can't go wrong," says Patty. "Getting an education is the best benefit. I was very apprehensive about going back to school; I felt

torn leaving my four year old behind. But now he and I can do our homework together."

Patty is enrolled in a REACH career orientation program. She went through a basic office skills course and has recently begun computer training. When she entered REACH she took an aptitude test that showed that she had strengths in relating to people in an office setting. She also had opportunities in other jobs not usually held by women, like carpentry. But Patty said, "I'm not trying to break any sex barriers."

Patty looks forward to being out on her own. "I want to feel accountable. I'm glad I'm doing something with my life," she says.

Casandra Black, 19

Casandra is in the TEEN PROGRESS program and has received high scores on her assessment tests for mathematics, language and vocabulary/comprehension. She also received a perfect score on Job Search Knowledge.

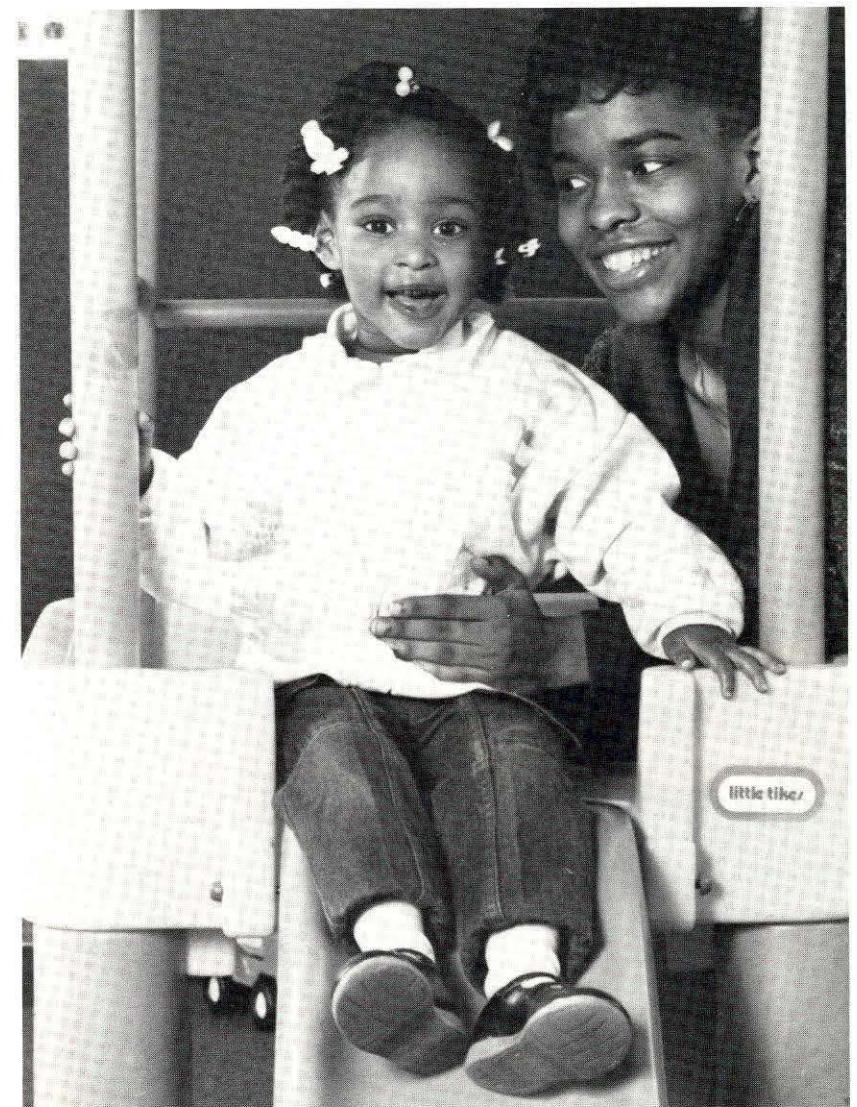
But Casandra knows how hard it is to keep up high marks and raise a child. She became pregnant at 16, dropped out of school at 17 and moved to Newark to live with family friends. She attended business school but didn't graduate because she lacked her high school diploma.

"In high school I never expected to be on welfare. I worked before and after school just to be able to afford baby clothes."

But Casandra feels that times have changed and she credits REACH with helping her.

"A lot of girls are stuck. But they have to give this program a chance. They have to put in the time and effort. They can't feel

"I figure the faster I learn the sooner I'll be off welfare. This program is a big step, a step ahead. I'd recommend it to all teenage mothers."



like they're going to be astronauts overnight, but it's at least a start to a career. Girls are stuck with children at home, but this program provides travel and day care expenses, so there's no excuse."

Casandra says that she got involved in REACH after she received a letter in the mail about the program. She's now working on getting a GED and is enrolled

in a Life Skills class.

"I figure the faster I learn the sooner I'll be off welfare. This program is a big step, a step ahead," says Casandra. "I'd recommend it to all teenage mothers."



"REACH gives everyone an opportunity. The people you work with are always there to help."



"My kids hug and kiss me. They say it's great. They say they're real proud of me."

Andrea Kobolis, 26

Andrea has three children, ages 8, 6 and 10 months. She's completed 11th grade. She's been on and off welfare three times. Andrea wanted a change for herself and her children.

Andrea says that she volunteered for REACH because she was anxious to get off welfare, but she needed the type of help REACH offered. It seemed to her that REACH had all the right ingredients to help her get training and a good job while providing the necessary child care and medical coverage for her children.

"I thought the training program was excellent. You get ready to pack it in sometimes, but the teachers get you to hang in there."

Andrea's two school-age children are in a day care program after school. Her baby is in a state-certified day care home. And Andrea is pleased that REACH was there to help with child care.

"REACH gives everyone an opportunity. The people you work with are always there to help."

Barbara Neal, 34

One day Barbara decided she no longer wanted to sit at home. She wanted to find something to do. She wanted to work.

Barbara Neal has been on welfare for 14 years, ever since her first child was born. She worked on and off during those years as a waitress, but she ended up quitting because she couldn't make enough money to pay for the rent, buy food and take care of her children. She wasn't getting any child support.

"I was referred to the JTPA office where they told me about this pilot career program which they call the Mercer Mini-REACH program. I loved the courses. I learned a lot of things I didn't know," says Barbara.

When she completed her course work, Barbara received a certificate in data entry and a certificate in secretarial skills. She was hired as a clerk by the New Jersey Division of Disabilities. Soon she'll be working on a computer and she's very excited about it.

Barbara's real enthusiasm for REACH comes when she speaks about the reactions of her daughters.

"The kids love it! It's encouragement for them to stay in school. You know, there is a lot of temptation out there. I want them to do well," she says.

"My kids hug and kiss me. They say it's great. They say they're real proud of me."

Barbara plans to continue her career development. She's taking a new course in the evening and she's surprised at how well she's doing.

"At first, I didn't think I could do it. But my teachers had faith in me. They told me to keep working at it, to hang in there. I did. And I love it."

Talking with Barbara about her experiences with REACH gives one a good idea of the excitement she feels at doing something with her life. In fact, she shared her excitement with the audience at the kickoff of the Mercer REACH program in February and seemed to convince quite a few people of just how happy she is and how they can do the same.

"I'm happy to share my experience," says Barbara, "because it just might help someone else to do what I did."

Pamela Lewis, 19

Pam, who's from New Brunswick, played varsity softball in high school and for two years she received the MVP award as best pitcher. She also played Junior varsity basketball. The future



"They give you that encouragement you need. You can do it if you have someone to talk to. That's the most important part of REACH-the people who talk to you-the counselors."

looked promising until her unexpected pregnancy, in 1985, shattered her dreams. She applied for AFDC because she knew that she needed pre-natal care and she didn't have money for the doctor.

Pam now has a two and a half year old daughter and she's been on and off welfare a few times.

"The ultimate beneficiaries are the women and children--particularly the children--who are languishing on the public assistance rolls across the state."

When she applied for AFDC in October 1987, Pam's Income Maintenance Worker at the county welfare agency explained the REACH program. Pam liked what she heard and imagined herself working on a computer, like the young woman she saw in one of the pictures on the REACH display in the waiting room.

"The REACH people had something to offer to help me," she says. They let me know that there's more out there than just welfare."

In January, Pam began a word processing course, through JTPA, at Worldwide Educational Services in New Brunswick. REACH works with JTPA, a major resource for education and training services for welfare recipients, to help women get the skills they need to get a job and keep it.

While she's in training, Pam receives child care benefits and training-related expenses, like payment for transportation to and from Worldwide. Since she already received her GED on her own, she's ready to find a job when she completes her training. And while she's had experience at factory and clerical jobs, she knows that she'll be better prepared now to get a good paying job. Pam gives REACH the credit.

"They give you that encouragement you need. You can do it if you have someone to talk to. That's the most important part of REACH-the people who talk to you-the counselors."

Commissioner Drew Altman

The Partnerships

To help welfare recipients become self-sufficient REACH depends on the cooperation and the resources of many groups. Partnerships with the Legislature, counties, other state agencies, the private sector, advocacy and advisory groups and the federal government were instrumental in getting REACH started and will continue to play a major role in making it successful.

Legislature

The New Jersey State Legislature gave resounding support to welfare reform through passage of the enabling legislation for REACH and for the Medicaid extension.

REACH Legislation

Without legislation the REACH program couldn't operate. The Assembly and Senate REACH bills contain all the legislative authority needed to provide services and to implement the REACH program.

Assemblyman Harold Colburn (R-Burlington) and Gary Stuhltrager (R-Cumberland/Gloucester) introduced REACH legislation on February 23, 1987. Overwhelming bi-partisan passage in the General Assembly (64-6) came on June 11, 1987.

Senators Catherine Costa, (D-Burlington/Camden), and James Hurley, (R-Cape May/Cumberland), introduced REACH legislation on March 10, 1986 in the upper chamber; it passed unani-



Senator Catherine A. Costa

"As lawmakers, it is imperative that we make it possible for young mothers and their children to have quality health care, child care and the opportunity to be educated and gainfully employed. We must pave the way for our fellow human beings so they can be afforded the chance to realize their full potential and pass this sense of personal well-being and dignity along to their children."



Senator James Hurley

"We are trying to break the tragic cycle of dependency fostered by our current welfare system. As a Senator from a district with a large number of welfare recipients, I understand how difficult it is for these families to become self-sufficient. The REACH program offers these families the opportunity to overcome the obstacles that stand between them and self-sufficiency. REACH offers far more sweeping reforms than any other welfare program in the nation."

mously in the Senate (39-0) on September 14, 1987. In signing the legislation on October 8, 1987 Governor Kean said *"This legislation grew out of a consensus, crossing party labels and political philosophies, that the time for reform is now."*

Medicaid Extension Legislation

This new law authorizes the State to extend Medicaid benefits for one year for any AFDC recipient who receives a job and leaves welfare. It assures recipients that they can continue to receive needed health care coverage through the Medicaid program when they find permanent employment and get off public assistance.

Few individuals with children would take a job without health benefits and place their children, and themselves, at risk. This legislation provides for a continuation of Medicaid coverage after employment for a period of twelve months. AFDC recipients who become ineligible for assistance because of earned income or receipt of unemployment or temporary disability now become eligible for extended Medicaid coverage.

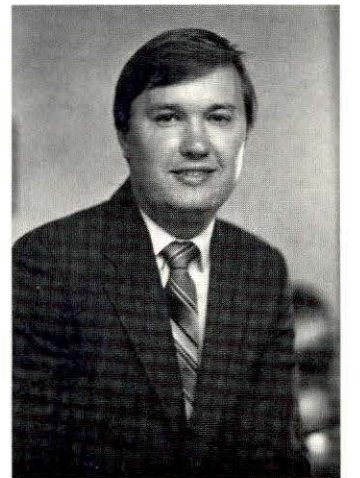
In addition, this extended coverage is statewide, not just in the REACH counties. The Legislature was so convinced of the importance of this legislation that they didn't want to wait for the rest of the REACH phase-in to have it go into effect.

"Helping people work their way out of the welfare system is the best way to break the welfare cycle. With enactment of this legislation, we will be starting to break the cycle of dependency altogether."



Assemblyman Harold Colburn

"The REACH program realizes that certain assistance must be provided to recipients, but it does not absolve them from a joint responsibility. For years it had not been the cost of welfare that most annoyed taxpayers, but rather the little their money had bought. I believe we are finally on our way toward removing people from the welfare rolls and helping them to become productive citizens."



Assemblyman Gary Stuhltrager

Assemblymen Thomas Deverin, (D-Middlesex/Union) and Gary Stuhltrager, (R-Cumberland/Gloucester) introduced legislation providing extended Medicaid coverage to AFDC recipients on June 4, 1987.

Senator Richard Van Wagner, (D-Middlesex/Monmouth), introduced legislation on April 21, 1986 and it passed in the Senate (38-0) on September 14, 1987.

Governor Kean signed the Medicaid extension legislation in a ceremony in Bergen county on October 8, 1987.

Passage of these two bills gave REACH legislative authority and support; in doing so it also demonstrated the close working relationship between the Legislature and the Department of Human Services and gave the promise of a better future to thousands of poor women and children. ■

Counties

Like the rest of the welfare system in New Jersey, REACH operates as a state-supervised, county-run program; REACH relies on a strong partnership with the counties to make it work. Because counties vary



Senator Richard Van Wagner

"I believe that this legislation represents a major step which demonstrates both compassion and common sense. By removing disincentives and providing meaningful support and training services we can truly aid those on public assistance while ultimately reducing the taxpayer's burden."



Assemblyman Thomas Deverin

"We wanted to make this program as open and strong as we can for those who desire to get off welfare."

greatly in size, in population characteristics and in the services they offer, there will be, in effect, twenty-one REACH programs. As REACH expands, county planning ensures that it will remain a growing, dynamic program.

In the spring of 1987, the five initial REACH counties—Bergen, Middlesex, Union, Mercer, Passaic—received preliminary planning guidelines from the Department of Human Services. These guidelines described the REACH program and its requirements; each county's program needed to have some basic program components and needed to follow a standard client flow outline.

The REACH guidelines outline the program's goals and required program activities; the counties determine how they will achieve these goals and shape the activities into the REACH program that is right for each county. Although REACH operates within State-set parameters, county planning determines the best way to organize local administration and services to make REACH work. As such, counties have substantial leeway to orient their REACH program to meet the needs of their clients.

While county planners had to meet certain goals, the guidelines encouraged them to enrich and supplement their program. Within this framework counties made decisions about how their programs would operate; for example, they decided on REACH service providers for case management, initial assessment, child care and other employment-related and educational activities.

Planning committees made their job easier. Each of the

initial counties had planning committees, which included representatives from county government, the business community, the private industry councils, community colleges, county welfare agencies, human service advisory councils and the Department of Human Services. The Department strongly encouraged each county to seek additional committee representatives from client advocacy groups. The planning committees varied in size and brought together many individuals and agencies that had never worked together.

As the committees prepared their plans, the Department of Human Services staff gave them ongoing assistance and provided answers to many technical questions that arose. Counties received regular Policy and Planning Updates that provided up-to-date details on various aspects of the program. Public information materials, including a display for each county's REACH waiting room, and fact sheets, brochures and handbooks, printed in English and Spanish, were provided to county REACH offices. REACH Case Managers and Income Maintenance workers received specialized training and the Department designed and is implementing a computerized tracking system for REACH Case Managers to use in monitoring participants' progress.

Upon completion of their REACH plans, the Board of Chosen Freeholders in each county approved the county plans before submitting them to the Department of Human Services.

Through county planning, REACH avoided a "cookie-cutter" approach to welfare reform and provided counties with flexibility

and broad community input in designing their program.

Other State Agencies

The job of reforming a failed welfare system is too big and too important for any one organization to do alone; REACH builds upon close cooperation with other state agencies and departments. This process avoids duplication and provides REACH participants with the best services possible. REACH brings together the Department of Labor's employment training and job placement resources; the adult education programs of the Department of Education; the post-secondary programs of the Department of Higher Education; the Department of Community Affairs' housing assistance and youth programs; and, to see that REACH participants get to where they need to go, discounted fares on New Jersey Transit buses and trains.

Department of Labor

The Department of Labor is the major source of employment and training services in New Jersey. Its Division of Employment Services provides job search and placement services, and referrals to training. Its Division of Employment and Training oversees the statewide training system established under the Job Training Partnership Act (JTPA) and the New Jersey Job Training Program. The Department also provides liaison and technical assistance to local Private Industry Councils (PICs) and Service Delivery Areas (SDAs), (the principal organizations which deliver training for employment); develops policies and procedures for statewide JTPA administration, and monitors and evaluates JTPA implementation.

For REACH, JTPA's highly successful programs provide a major source of vocational assessment, occupational training, basic education and job placement services. And REACH's employment and training resources will help to expand JTPA training activities.

Locally, directors of either the PICs or SDAs co-chair REACH county planning committees to assure the integration of their programs into the REACH program design.

Department of Education

The Department of Education oversees primary and secondary education (grades K-12), Carl Perkins Vocational Education Act programs, and adult and continuing education programs including remedial education, literacy training, GED training, and ESL instruction. REACH participants, many of whom have substantial educational needs, can benefit from any of these programs in attempting to improve their education and to become job ready.

REACH participants also benefit from the Department's adult literacy centers, which offer one-on-one tutoring by volunteers. The Department of Education's local representatives work closely with REACH county planning committees to integrate literacy programs with job training. For many REACH participants "going back to school" is the surest way to self-sufficiency.

Department of Higher Education

The Department of Higher Education oversees secondary educational activities and institutions in the state, including the community colleges, four-year colleges, and technical institutes.

Under REACH, the Department provides specialized occupational training programs at community colleges; in some counties, community colleges perform client assessment. The Department also helps REACH participants to take advantage of tuition aid programs such as Tuition Assistance Grants (TAG), Economic Opportunity Fund (EOF) grants, and other funding used to offset tuition costs and child care expenses.

Department of Community Affairs

The Department of Community Affairs (DCA) administers the State's housing assistance programs, as well as the Youth Corps program to help high school drop-outs continue their education while they earn income at part-time jobs. REACH participants can get DCA services in both of these areas.

Also, the Department of Human Services and DCA are working to coordinate DCA's Project Self Sufficiency with REACH, so that the housing vouchers available through the Project complement the other services available through REACH.

New Jersey Transit

Within the Department of Transportation, New Jersey Transit operates public transportation systems across the state.

Their contribution has allowed REACH participants to get 25 percent fare discounts on monthly bus and rail passes.

Private Sector

REACH seeks to place AFDC recipients in jobs; jobs that pay good wages, have career growth potential and provide health and other benefits needed by mothers and their children. The private sector has a major role in providing jobs for REACH participants.

Early in the REACH planning process the Department of Human Services sought the help of the Job Training Coordinating Council, the National Alliance of Business, the Private Industry Councils (PICs) created under the Job Training Partnership Act, and other business groups. Also, a Job Training Coordinating Council business representative was appointed to the Department's Welfare Reform Advisory Committee.

Private Industry Council representatives have served as co-chairs of the REACH county planning committees and have made significant contributions to the training and employment portions of the REACH plans. In addition, each of the REACH plans received PIC approval and endorsement before being finalized.

The Private Industry Councils also take an active role in overseeing program implementation to ensure that REACH job skill training and employment services meet employer needs. PICs know where the jobs are in their counties and they give REACH participants the skills they need to fill them.

The State Job Training Coordinating Council passed a resolution to lend its full support to REACH, and set up a Welfare Reform Task Force to provide ongoing assistance to the Department of Human Services. Recently the task force received approval to assist the Department in developing a marketing campaign to make New Jersey employers aware of REACH and its potential as an ideal source of qualified employees.

"REACH has opened a window of opportunity for welfare clients and society through a new and creative approach of bringing the client into the world of work and self-sufficiency."

John J. Heldrich
Member-Executive Committee and Board of Directors - Johnson and Johnson
Chairman, Governor's Job Training Coordinating Council

The National Alliance of Business has also endorsed REACH and is promoting the fact that REACH will provide well-trained and motivated employees for the future.

This public-private sector partnership approach has also provided excellent results in the Atlantic City Casino Employment Initiative. With the assistance of Senator William Gormley and the Atlantic City Casino Association, every casino/hotel has signed an agreement with the Department of Human Services to hire at least 500 project participants each year for the next three years.

Through public-private partnerships REACH will assist in supplying the work force needed

to maintain New Jersey's strong economic growth and will help REACH participants build a better life.

"REACH has opened up real communication between agencies. It's a big plus."

Bob Guadagnino- Bergen PIC
President, Garden State Employment and Training

"Looking at what California and Massachusetts have done, New Jersey took the best of the available research and put together the best possible program."

Howard Cooper, Director
PIC-Middlesex County

Advisory Groups

A host of groups aided the REACH program by helping to determine how it would operate and who it would affect. Each group had its own vantage point, but all of them made important contributions to the program. Their input not only helped in the design and implementation of REACH, but also played a vital role in ensuring representation of the concerns and needs of REACH clients.

Welfare Reform Advisory Committee

Serving as a formal committee of the State Human Services Advisory Council, the Welfare Reform Advisory Committee brought together representatives from business, human services, and the county welfare agencies. The group met weekly to provide formal input to the Department of Human Services and continues to meet, now on a monthly basis. This group provided extensive commentary on the REACH program from its earliest planning stages.

"For the first time I see cooperative efforts between all levels of government and different agencies."

Al Cade, Welfare Reform Advisory Committee

Garden State Employment and Training Association

Comprised of employment and training experts from local JTPAs and the Department of Labor, this association helped to make REACH part of the existing employment and training system in New Jersey. They provided advice to the Departments of Human Services and Labor on the employment and training changes needed to make REACH work.

"REACH looks promising for the future. It will make the employment and training system's job easier by removing the disincentives for welfare recipients to participate by providing Medicaid and day care extensions."

Nicholas Di Minni, President, Garden State Employment and Training Association

Puerto Rican Congress/Hispanic Working Group

Statewide, Hispanics represent 26 percent of the AFDC caseload. During REACH's design and implementation phase, the Puerto Rican Congress and the Hispanic Working Group met frequently with Department of Human Services officials to present the interests of the Hispanic community. Through their advocacy they ensured that REACH county planning committees recognized the need for bilingual and bicultural case management, targeted life skills training, employment-specific ESL and other language programs, concurrent employment and language training, Spanish language REACH materials, and self-employment opportunities.

"We do not like the idea of having people on welfare. Anything that promotes self-sufficiency and self-direction is a positive step."

Lydia Valencia, Chair, Puerto Rican Congress

Child Care Advisory Council

Providing quality child care is essential to welfare reform. In fact, child care accounts for one-quarter of the first year REACH budget and remains the largest budget item in future years. The Child Care Advisory Committee, a group of representatives of agencies and individuals concerned with child care, plays an important role in helping the Department to develop a comprehensive REACH child care policy.

"Child care is an essential ingredient in REACH and we look forward to continuing to work with the Department in this area."

Ciro Scalera, Executive Director, Association for Children of New Jersey

County Welfare Directors

County Welfare Directors provided ongoing help to the REACH county planning committees on a variety of operational and policy issues. The Directors were also represented on the Welfare Reform Advisory Committee.

"There's definitely much more coordination between the CWA and PIC, even though it was good before. CWA now has offices in the PIC offices. There's been tremendous community input."

Ed Testa, Director, Bergen County CWA

Black Issues Conference of New Jersey

This group is active in a range of issues related to the black community. Their input contrib-

uted directly to program modifications, including increasing child care payments by allowing counties to use REACH start-up grant funds to augment voucher amounts; reallocating funds to improve child care administration and provider recruitment; accelerating the phase-in of the three largest REACH counties—Hudson, Camden and Essex; giving increased attention to the educational needs of REACH participants, and increasing the ongoing participation of the Black Issues Conference in REACH decision making.

"We're happy that there's an admission of the fact that welfare needs to be changed. The whole structure needs to be changed. REACH is a beginning."

Catherine Willis, Black Issues Conference of New Jersey

Federal Government

Because REACH goes far beyond existing federal programs and policies relating to the employment and training of welfare recipients, the Department of Human Services needed waivers of federal law to operate the program. Since REACH affects many different federal programs, it was impossible to follow the normal procedure of applying for waivers from one federal office.

However, the newly established Interagency Low-Income Opportunity Advisory Board operating out of the White House was recently given responsibility for coordinating waiver requests which affected more than one federal agency. The Department worked closely with the Board, which demonstrated its confidence in REACH by helping to assure that New Jersey received the waivers it needed to implement REACH as a five year

demonstration project. New Jersey was the first state to receive this White House support.

The provisions of the agreement negotiated with the federal government make REACH noteworthy as:

- The most comprehensive statewide welfare reform proposal ever approved by the executive branch of the federal government.
- A program that emphasizes prevention by requiring enrollment of mothers with children as young as two years old.
- A program that emphasizes flexibility by varying services at the local level, and that stresses careful planning by phasing in the program over a three year period.
- The first time a state was allowed to retain the federal savings in AFDC, Medicaid, and Food Stamps achieved in a demonstration project, in addition to the state savings.
- The first time a state received authority to claim federal funding to extend Medicaid for one year after a person becomes employed and ineligible for AFDC.
- The first time the federal government granted authority to claim federal funding to provide fiscal incentives for AFDC recipients to take care of children of other AFDC recipients who want to work. The savings achieved in REACH will pay for these benefits and the Medicaid extension benefits.

In order to determine the amount of federal savings that REACH will achieve, the State and Federal governments have agreed to a methodology that will estimate what the AFDC caseload would have been over the five years of the demonstration without REACH. This methodology is becoming a model for other federal waivers where a control group is not desirable.

The evaluation plan for REACH has been lauded by the U.S. Department of Health and Human Services as one of the most comprehensive and ambitious ever undertaken by a state and is expected to result in findings which will have national implications for future welfare reform efforts.

REACH was approved on the basis of its positive impact on a variety of federal programs which are administered by separate federal departments and offices such as the Family Support Administration (which administers AFDC) and the Health Care Financing Administration (Medicaid) in the Department of Health and Human Services, the U.S. Department of Agriculture (food stamps), and the Department of Housing and Urban Development (Section 8 and other public housing).

The vital role played by each of the groups mentioned above testifies to the strong partnership that has taken REACH from blueprint to reality. This partnership is rooted in the shared belief that welfare reform in New Jersey embodies the best approach government policy can take—making an investment in people. ■

REACH
Differs Significantly
From Other State Welfare Initiatives

	E.T.	GAIN	REACH
Mandatory		✓	✓
Age of Youngest Child *	6	6	2
Post - AFDC Medicaid (months)	4	4	12
Post - AFDC Child Care (months)	12**	3	12
Training Related Expenses	✓	✓	✓
County Planning		✓	✓
Enhanced Child Support Enforcement			✓
Federal Waivers			✓
Participant Agreement	✓	✓	✓
Sanctions	✓	✓	✓

* E.T.: All AFDC recipients with children over 6 required to register. Participation is voluntary.
GAIN : All AFDC recipients with children over 6 required to participate.
REACH : All AFDC recipients with children over 2 required to participate.

** Total - on or off AFDC

The three major state-sponsored welfare reforms--ET in Massachusetts, GAIN in California and REACH--share a philosophy of helping welfare recipients to become self-sufficient. However, REACH stands out by helping mothers with the youngest children, by extending the support services of child care and Medicaid coverage for a full 12 months following employment, and by being the only state-sponsored reform backed by federal waivers.

The First Months

We've said early in this report that REACH won't provide a quick fix; it won't change the welfare system overnight or even in its first or second year. It will take time for a change of this magnitude to become part of the landscape of the welfare system.

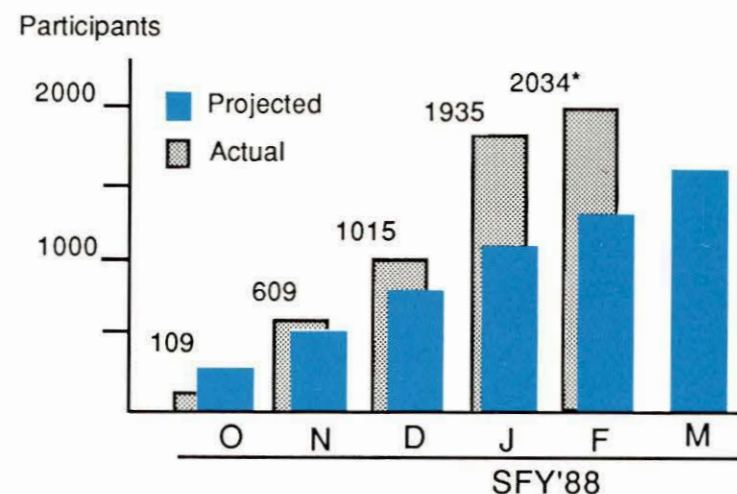
It's also difficult to assess a complex change, like REACH, so soon after its beginning. Premature efforts at assessment will almost certainly be misleading. For example, since its start-up in October 1987, REACH participation has been limited to new applicants; processing of recertifications (annual reevaluation of a recipient's AFDC application) didn't begin until March 1988. REACH's measured client flow allows those who work in the welfare system to become comfortable with REACH before the number of clients increases dramatically.

But the early data on REACH shows that its progress matches or exceeds the Department's projections for where the program would be at this early stage.

Chart 1
**REACH Participants
Projected Compared to Actual**

The Early Months

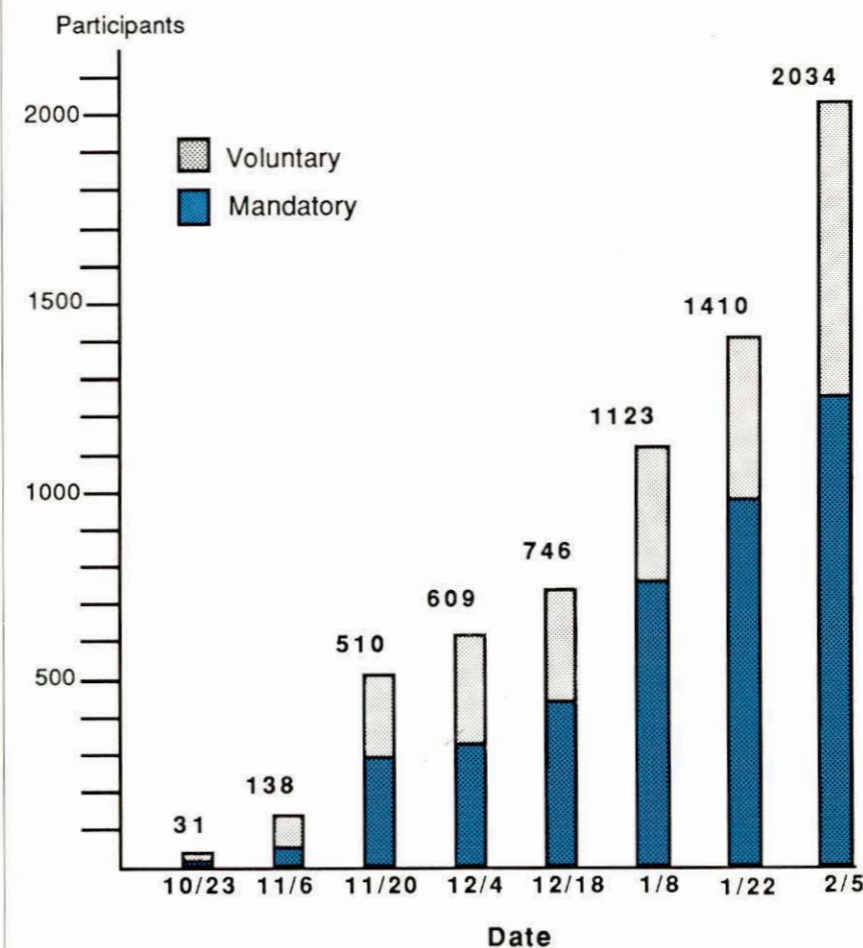
Initial Three Counties



REACH has surpassed early caseload predictions. In its first four months, operating in just three counties, 2034 individuals participated in REACH. 780 of these individuals are volunteers, whereas we had predicted that only about 150 volunteers would participate in the first four months. Obviously, REACH is attracting the interest of the entire AFDC population.

Chart 2
**REACH
Total Participants by Date**

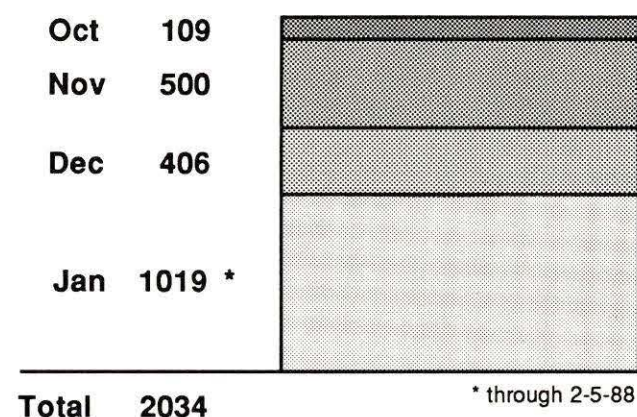
Initial Three Counties



The numbers of participants have been growing steadily. Six weeks from program start-up, on November 6, 1987, we had 138 REACH participants. In December there were 746 participants. In January, 1988 the number of participants doubled from the previous month to 1410. By February 5, 1988, the number had climbed to 2034.

Chart 3

REACH
New Participants by Month
Initial Three Counties



But this rapid expansion also means that 1019 of the first 2034 participants in REACH as of the first week of February had been approved for welfare within the previous month. So half of REACH's participants are so new to welfare that they are concentrated in orientation, the first step in the REACH program cycle.

ORIENTATION/CASE MANAGEMENT

The recent entry into REACH by such a large number of clients explains why many are still in the orientation cycle. Even so, 30% of all REACH participants (613 individuals) have completed orientation, met with their case managers, and signed initial agreements.

Additionally, starting in March, the initial REACH counties will begin phasing current AFDC recipients into REACH, and new counties will continue to join the program. This will bring a large influx of new participants into the program, during which time the REACH orientation phase will continue to show the highest numbers of participants in any activity.

After orientation, case managers determine whether a person should be deferred from active participation because she is caring for a child under two years of age, ill or for other reasons. So far 187 participants—30%—have been deferred. This is the percentage we had predicted and on which our budget estimates are based. These participants will resume active participation in education, training or employment just as soon as their circumstances which prevent their active participation change.

ASSESSMENT

For many individuals, their first activity is to participate in in-depth assessment that reveals and tests their abilities, giving PIC employment specialists and REACH case managers the information they need to help them choose from among training, education and employment options. Also at this point, participants who have recently left jobs and who possess marketable skills proceed directly to a job search program.

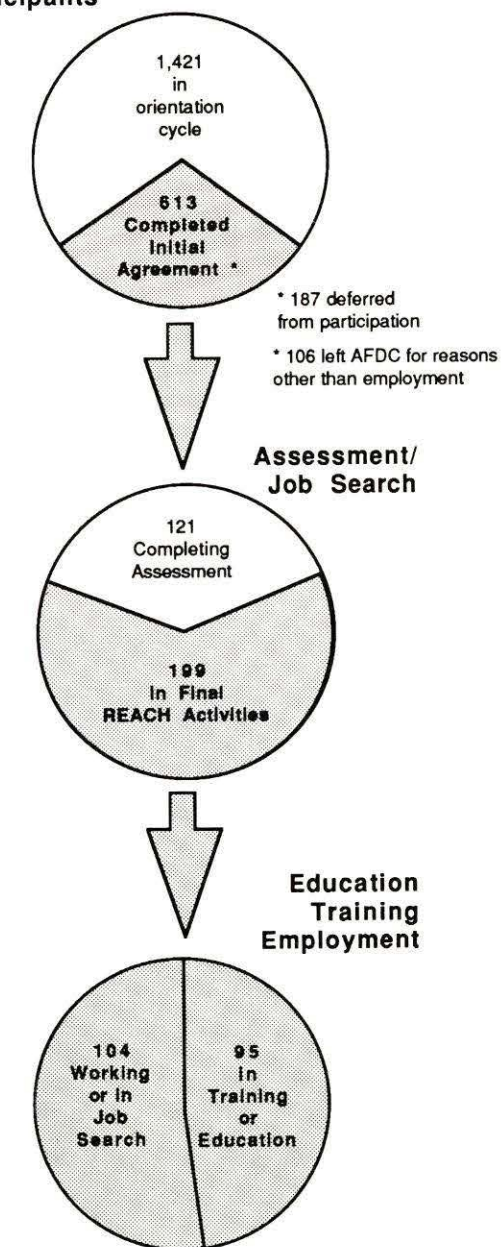
EDUCATION, TRAINING, AND EMPLOYMENT

Of the first 320 participants in assessment or job search, over one-half (199 individuals) have completed assessment, reviewed their test results and their options with PIC employment professionals, and have begun participation in employment, job search, training or education. 104 of these participants have jobs through REACH or are in a structured job search program. Another 95 REACH participants are in training and education programs, preparing themselves for jobs.

Chart 4

REACH
Initial Three Counties

2,034 Mandatory and Volunteer Participants **Orientation/Case Management**



REACH begins to make a difference for young mothers with children as soon as they apply for welfare.

The REACH program started in three counties-Bergen, Middlesex and Union- by taking applications from women who applied for AFDC on or after October 1, 1987, and who were certified for eligibility thereafter. The existing caseload is incorporated over time. This deliberate phase-in means a gradual increase in REACH cases—an increase that's designed to give case managers

and participating agencies a chance to learn from early experience without dealing with a flood of cases (see chart # 5).

This strategy has paid off in the initial REACH counties: plans for expanding day care slots can move ahead before peak demand occurs; administrative details of co-locating PIC employment specialists with case managers can be worked out before staff have to handle increased caseloads; and issuing day care and New Jersey Transit travel vouchers can be perfected before their use increases. In short, starting REACH with a gradual build up

of participants has allowed county REACH administrators to test out their new systems with small numbers of participants and to make any needed administrative and procedural changes.

The REACH application process will also benefit by an entirely new management information system, with computer terminals located at the IM workers' and case managers' desks. Some of this computerization has already been completed—several screening forms can now be completed on the computer. REACH case

Chart 5

REACH Three Year Phase-In

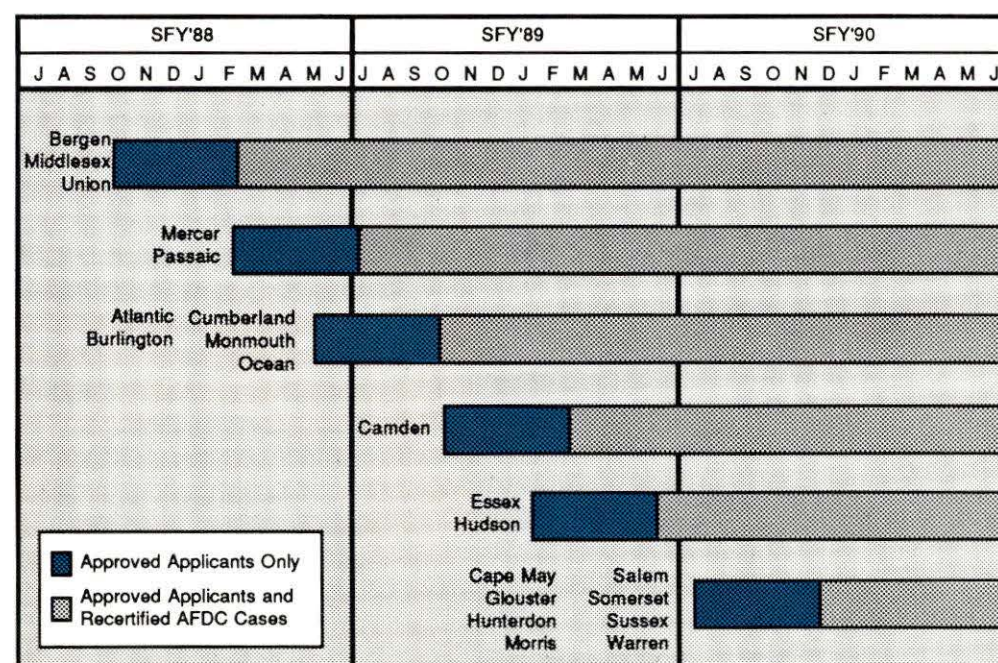
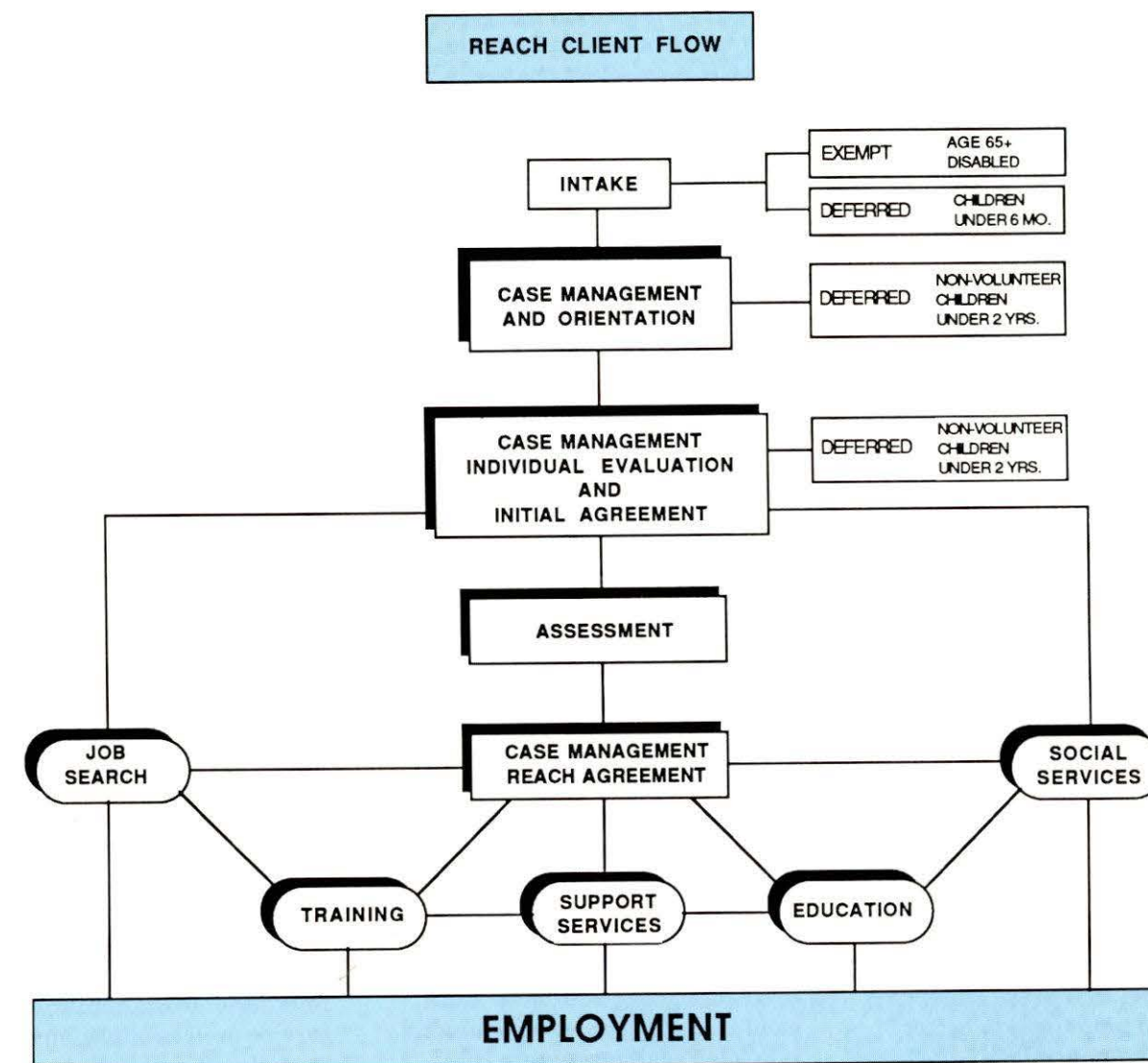


Chart 6



managers will receive application information directly from these terminals, thereby reducing the manual recording and transfer of information and reducing paperwork. In this way, when someone applies for welfare in a REACH county and their application goes into the computer, they begin the process that will help them get off welfare.

Orientation to REACH and Meeting with Case Manager

After a woman is found eligible for AFDC, she attends a REACH orientation session (Middlesex County even offers a pre-orientation description of REACH to heighten interest in the program among applicants whose cases

await approval). REACH orientation has already proven to be extremely important for helping participants understand the goals, opportunities and obligations of the program. Prior to orientation welfare applicants see the REACH displays in their welfare offices, and are given the opportunity to look over materials

explaining the program, which are available in both English and Spanish. But orientation is their first opportunity to hear about the program in detail, and to have trained professionals answer their questions.

Orientation may be conducted individually as in Union county; in small groups as in Bergen; or by a combination of these methods, as in Middlesex. Orientation sessions highlight the theme of mutual obligation and the opportunities and supports available through REACH. There's also an open discussion of the possible sanctions which accompany non-compliance, and an explanation of the specific program components which participants should begin to think about for themselves and their futures.

In Bergen, an employment specialist from the PIC joins the case manager in orienting new participants to the range of training and employment-related services. Orientation in each of the counties involves specialists in transportation services, child care networks, and other local services to explain their services.

REACH orientation assures participants that every effort will be made to help them to better themselves financially and to leave welfare with a decent job. And orientation lets them know that they have someone to help them obtain this goal—the Case Manager.

Orientation sessions are upbeat and hopeful; they convey the message that REACH will make a difference for each person who participates.

The case manager continues to stress the themes presented in orientation at their initial one-on-one meetings with new participants. At this meeting the case manager works with the participant to formulate an individual REACH Agreement that reflects the participant's abilities and aspirations.

The initial contacts between participants and case managers "personalize" the program. What has up to now been explained as a system of support services, and an array of training options, takes shape as a personal relationship with a single case manager who has a name and who knows the name — and the circumstances — of each individual he or she serves.

Vocational and Educational Assessment

In most instances the case manager's first step after the Initial Agreement is to get a clear idea of the participant's skills. This requires that participants proceed to in-depth vocational and educational assessment. However, those who have recently left employment, have job skills in current demand in the labor market, or have education sufficient to their goals can go directly into a job search program that can get them back on a job—sometimes within the first month they begin their search.

Assessment consists of a series of standardized tests which measure basic educational achievement in reading, writing and basic arithmetic, as well as specific tests to quantify a person's proficiency at certain jobs. Which tests REACH participants take depend on their past

experience, their vocational interests and their career goals. But assessment isn't complete without an exploration of each participant's interest in and desire to achieve in vocations identified by the tests. The Bergen PIC has a four day assessment; Union County Community College conducts a two day session; and in Middlesex the JTPA Employment Specialists conduct assessments in a single full-day session.

After assessment, the participant, the case manager and the Assessor discuss the results to determine an individual schedule of education, training and employment-directed activities that will be incorporated into the participant's final REACH Agreement.

Referral to Social Services

The processes of AFDC intake, REACH orientation, initial meetings with case managers and assessment may uncover a REACH participant's personal problems with drug addiction, alcoholism, or personality disorders. Since these problems can impair and prevent participants from taking part in employment-directed activities, case managers refer them to appropriate social service professionals for immediate help. If a participant is in the care of a social service professional, this becomes her REACH activity. Once this care is completed the participant and the case manager will continue the assessment process and other work-related REACH activities.

REACH Education, Training and Employment-Directed Activities

With the signing of a final Agreement, the participant begins those REACH activities which will prepare them for work. The data presented in chart # 7 presents the REACH employment, training and educational services provided during the period October 1, 1987 to February 5, 1987.

Job Search

Looking for a job in REACH means more than contacting potential employers on your own — although this service is provided for those who are motivated and who have recently left employment. However, 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 jobs, they consult job listings kept current for their specific use. Together the group's members support each other as they go for job interviews; they meet frequently to compare experiences and to exchange information on job availability.

Training

Under REACH training takes many forms. Employers have their own in-house on-the-job training programs for entry level personnel. REACH, through Work Supplementation, helps fund participation in these programs by diverting a part of the AFDC recipient's grant to supplement her wage during the training period. Class room training offered by JTPA-con-

tracted schools offers the gamut of skills training for jobs identified by the PICs as being in demand.

Educational Services

As with training, a broad range of educational services are available, each tailored to prepare REACH participants with the skills and educational attainment they need to pursue productive careers. Adult Basic Education seeks to redress the sometimes serious educational deficiencies exhibited by some welfare recipients and which prevent them from gaining job skills. For others, only a high school graduate equivalency diploma (GED) stands in the way of their qualifying for skilled training and jobs. So we offer them the opportunity to obtain their GED through REACH. A growing portion of our welfare recipients report English language deficiency. For them we offer English-as-a-second-language instruction that

is tailored to the requirements of training programs in which they are interested.

No educational opportunity is overlooked. Our initial experience has revealed that some participants qualify for certificate degree programs and Associate of Arts degrees at the community colleges which prepare them with skills specific to careers in nursing, accounting, and word processing.

REACH Participants in Jobs

Although REACH is intended to proceed in a deliberate manner that will only result in significant job gains once participants have acquired the skills they need to get decent jobs, we have already registered a number of highly successful job placements in the private sector. These placements provide the early example to others still on welfare that REACH produces jobs. REACH case managers will continue to work with these employed indi-

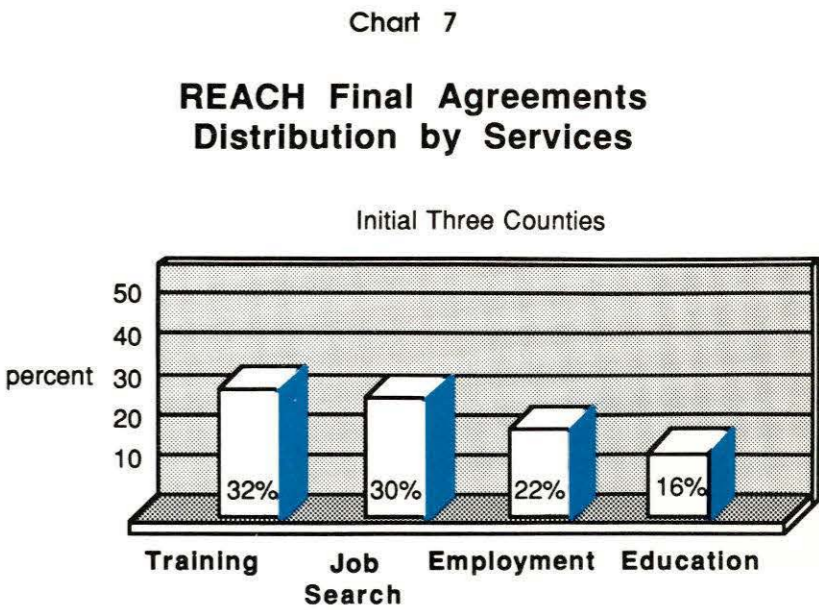
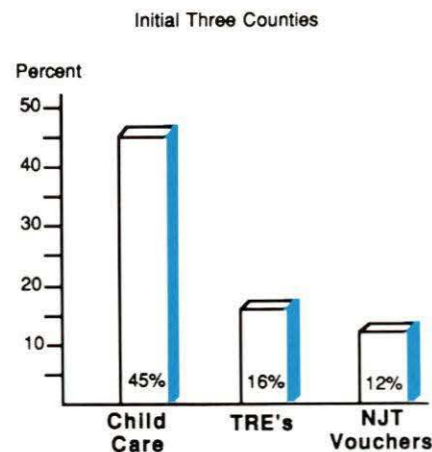


Chart 8

REACH Support Services Committed as a Proportion of Final Agreements Signed



viduals to ensure that their network of REACH post-employment supports remains intact.

During this quarter REACH also provided **support services** to assist participants in finding jobs or receiving education or training.

REACH Support Services

Child Care

Not everyone needs child care and some of those who do may prefer to make their own informal arrangements. In fact it's been determined in other welfare reform programs (GAIN in California and ET in Massachusetts) that only about one-third of welfare recipients need or want child care—many prefer to make their own arrangements with friends or relatives.

Under REACH, each county has designated a lead child care agency, and they are registering new center-based and family day care providers, meeting with participants to determine their child care needs and matching participants with providers. While the supply of safe and affordable day care must be increased dramatically to serve participants if REACH is to achieve its full statewide potential, thus far REACH has successfully provided child care for every REACH participant's child who needs it.

Training Related Expenses

Under the previous WIN program, participants were allotted \$22.50 a week to cover their expenses related to training, including transportation, uniforms, books, and manuals. REACH has expanded this allotment to \$30 a week for full time REACH participants and

has added a significant new support program of travel vouchers issued by New Jersey Transit that provides a 25% discount on monthly bus and rail passes.

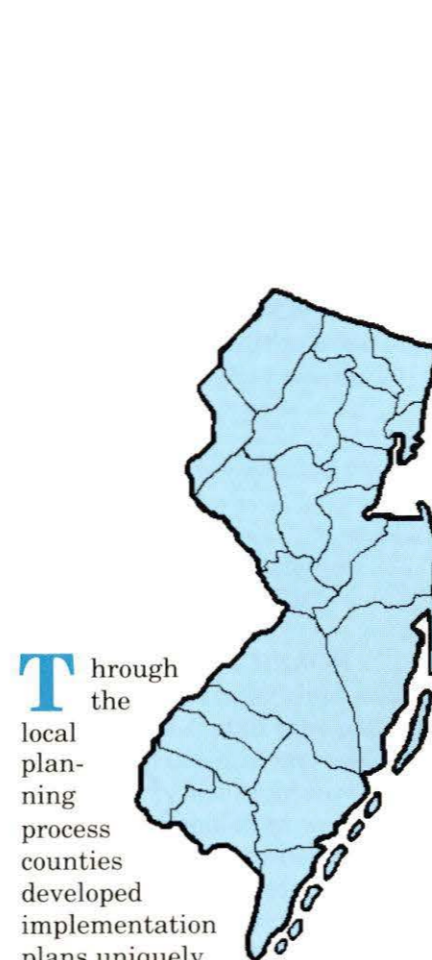
Extended Medicaid Coverage

Welfare studies and welfare recipients themselves confirm that a lack of medical benefits once a person leaves AFDC inhibits them from leaving. REACH's extended Medicaid coverage for persons leaving AFDC due to increased earnings for the first year of their new employment addresses this inhibition by easing the financial transition to independence.

Extending Medicaid coverage for a full 12 months after a person finds a job provides the incentives and benefits for participants to gain and sustain permanent employment. Extended Medicaid eligibility not only buffers the loss of government-sponsored health care coverage in the first year of employment, but also helps prepare participants in making the transition to the employee and private health plan marketplace. For the majority of participants, especially the uninsured, a first full year of work will give them the skills and experience they will need to obtain employment benefits to cover them when their Medicaid eligibility ends.

REACH case managers work closely with each participant who is preparing to accept employment to help them understand their need to arrange for private health coverage before their Medicaid eligibility runs out and to help them seek employment that includes an employee health plan. ■

County Profiles



Through the local planning process counties developed implementation plans uniquely suited to their local needs and resources, and based on the characteristics of their welfare recipients. This section explains how county planners set up their REACH program; where the REACH office is located and what services it currently offers. ■



Bergen's REACH office is located in the *Bergen County Board of Social Services' office in Paramus.*

REACH orientation takes place at the *PIC* offices in Hackensack, where the REACH case manager, the JTPA Employment Counselor, a Life Skills Counselor and a staff person from the Office for Children conduct joint weekly group orientation sessions.

The *Bergen PIC* offers four days of vocational assessment for participants who have never worked or don't know what they can do. After completing this assessment, a participant attends life skills training at the *Bergen PIC offices* in Hackensack. This training, unique to Bergen County, teaches assertiveness training, communication skills, values clarification, budgeting, time management and coping with stress. It also offers individual counseling.

After this series of activities, the REACH case manager, the JTPA Employment Counselor and a representative from the

Career Development Center for Women review each participant's progress and discuss the direction of the case plan.

The *Bergen County Board of Social Services* offers group job search workshops for job-ready participants, while the *PIC* provides vocational training and individual job search. The *PIC* and *Bergen Community College* jointly provide adult basic education and Graduate Equivalency Diploma instruction (GED) at the Community College's Adult Learning Center in Hackensack.

If a participant needs child care and has no current arrangements, the *Bergen County Office for Children*, within the county's Department of Human Services, provides assistance. ■



Seven case managers staff the REACH offices, located at the *Union County Board of Social Services' two sites--Elizabeth and Plainfield.* Participants receive REACH orientation at either of these sites in either one-to-one meetings or group meetings with their case managers.

Union County Community College currently conducts two days of vocational assessment at their sites in Elizabethport and Plainfield; College staff meet with the case managers, JTPA and Employment Services to share the results of these assessments.

The *Union County JTPA* and the *Department of Labor/Division of Employment Services* provide individual job search and job search classes; co-location in both the eastern and western ends of the county allows participants greater access to this service. *JTPA* also provides vocational training, while the *Union County Public Schools* and *Union County College's Center for Intensive Studies* offer educational services.

The *Child Care Coordinating Council (4-C)*, a non-profit organization, assesses a participant's child care needs and works closely with each participant to locate providers. The agency also evaluates the REACH child care system and recruits and trains providers. ■

The REACH case managers work at the *Middlesex County Board of Social Services* sites in both *New Brunswick* and *Perth Amboy*. To better serve their Hispanic clients, Middlesex's five case managers include three who are bilingual.

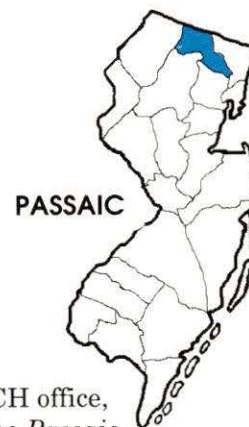
Participants learn about the program through a two-step individual REACH orientation process. During the application process, the participant receives an introduction to the program; the participant's case manager then provides a second, more in-depth, orientation after a participant enters the program.

Vocational assessment includes an initial evaluation by a *JTPA* Employment Specialist located within the REACH offices. A full day assessment may follow, also conducted by the *JTPA* Employment Specialist. Lastly, the case manager and the *JTPA* specialist review the participant's strengths and preferences.



Job-ready participants benefit from job search programs operated by *JTPA*. *JTPA* furnishes vocational training and educational programs.

The *Middlesex County Board of Social Services* supplies participants with on-site child care assistance, information, referral and provider recruitment and training. Trained staff seek to expand the family day care service network and work closely with existing child care facilities to accommodate the anticipated high use of child care services. ■



The REACH office, located at the *Passaic County Board of Social Services* in *Paterson*, has field offices in

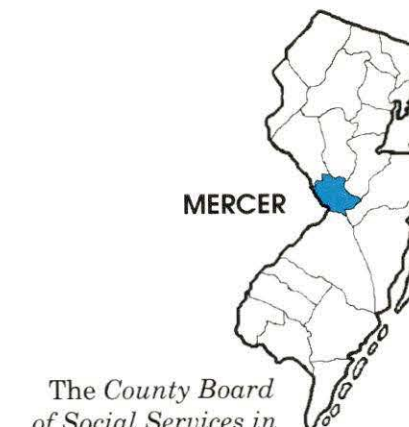
Passaic and *Wanaque*. The Board will initially hire up to six case managers; three are bilingual.

Case managers, *PIC* staff and *Passaic County Child Care Coordinating Council (4-C)* staff conduct joint REACH orientation.

The *PIC* also provides a one to five day vocational/education assessment at their offices in *Paterson* and *Passaic*, and at the REACH *Wanaque* office on an as-needed basis. The *PIC* Employment Specialist and the case manager review the final assessment results.

Job-ready participants use the *Department of Labor's Division of Employment Services'* job search program, which operates in cooperation with the *PIC*.

Passaic County's REACH program has a strong child care component; *4-C* staff take part in the REACH orientation sessions and conduct their child care segment in Spanish as well as English. The agency helps participants find child care. The *4-C* also recruits and trains family day care providers, maintains information on the availability of care within the county, and monitors the REACH child care system on an ongoing basis. ■



The *County Board of Social Services* in *Trenton* houses the Mercer REACH program and the county has hired four case managers from the Board's social work staff.

In Mercer's program income maintenance workers in the *County Welfare Agency* give all new AFDC applicants a basic introduction to the requirements of the REACH program; the case manager provides an in-depth, individual REACH orientation.

Mercer's *JTPA* offers vocational/educational assessment. The *JTPA* counselor conducts an initial one-hour assessment at the REACH office in *Trenton* and offers further assessment (from one-half day to four days), if necessary, at offices in the *County Administration Building*, also in *Trenton*.

For job-ready participants the county makes job search services available through a variety of agencies such as the *Department of Labor's State Employment Service*, the *Mercer County Board of Social Services* and the *Mercer County JTPA*.

The *Trenton Adult Learning Center*, the *Trenton Public School system*, and the *Mercer County Community College* offer basic skills and remedial help for those participants needing education services. *JTPA* provides vocational training and *JTPA* and its vendors will train twenty-five REACH participants to become family day care providers.

Staff from the *Child Care Connection*, a local non-profit organization, supply services to REACH participants who need help in finding child care. The agency locates child care providers, recruits new providers to meet individual family needs, maintains contact with providers, registers family day care homes for the county, and recruits and trains family day care providers. *Child Care Connection* staff work on-site three days each week at the REACH office. ■

All these counties have met the challenge presented to them in planning their REACH programs. In fact, they have exceeded expectations. Working diligently, against tight deadlines, they tackled hundreds of issues to determine how their counties would structure the program and who would provide REACH services. And through this difficult process they assumed ownership of REACH—ownership that will eventually extend to all New Jersey counties as they join REACH.

Counties give welfare clients the details of REACH's investment in people. ■

The Future

"No one said it was going to be easy to implement welfare reform."

Trenton Times Editorial
January, 1987

Being in the forefront of welfare reform is exciting, and New Jersey has made a unique commitment to welfare recipients through REACH. But making reform a reality remains a difficult task. No other state has attempted what New Jersey, through REACH, is attempting. We are setting the standard.

But to fundamentally alter the welfare system, the REACH program must evolve and change. As we gain more experience in welfare reform, we must make adjustments.

This need to adapt REACH has taken and will continue to take two major forms: program improvements and addressing emerging issues that could compromise REACH's success.

Program Improvements

During the early stages of REACH, as counties conscientiously made us aware of problems that needed attention, we discovered areas of the program that needed refinement. Every area of concern that was raised is being reviewed. A number of program changes have already been made in response to county and constituent group suggestions and in response to the Department's own observations about REACH's progress. For example:

■ Case Management Allotments

When REACH began, the case management grants provided to each county were determined on the basis of an all-inclusive unit cost ceiling of \$36,000, which incorporated the case manager's salary, fringe benefits, indirect and overhead costs, support and associated administrative costs. In response to county concern that the \$36,000 level did not cover all reasonable administrative and indirect costs, we authorized a 39 percent increase to \$50,000.

■ Child Day Care Provision

An allocation has been provided to cover reasonable costs associated with the provision of REACH child care (i.e., recruit-

ment, training, supervision, issuance of vouchers, provider payment). This allocation was equal to 10% of the child care services dollars budgeted for each county's REACH participants' child care needs. County concern with this level of support caused the Department to allow an additional 5% of child care resources to be targeted to these recruitment, training, and other costs associated with REACH child care.

■ Start-up Implementation Grants

Originally, these grants, which cover any extraordinary costs associated with the implementation of REACH or any service expansion or enhancement desired by the county, were available only to the first three counties. Now they have been extended to all of the first 13 counties.

In addition to this \$50,000 one-time award, each county receives \$40,000 per year to cover the reasonable costs associated with the REACH planning process and program coordination.

■ On-Line Client Tracking System

Making participation in REACH a condition of receiving AFDC means that case managers must keep track of clients and where they are in the system. This time-consuming follow-up becomes critical in a mandatory program like REACH in which





sanctions can be imposed for non-participation. The emerging computerization of REACH will assist with this function.

Normally, the considerable expense of implementing and operating computerized management information systems for welfare represents an administrative cost to the counties. However, the Department has underwritten the cost of developing and implementing the REACH computer system; the operation of the REACH client tracking system will not be charged to the counties. This is equivalent to many thousands of dollars of avoided county costs.

System development and implementation is almost never a trouble-free process, and the REACH system is no exception. However, the Department has committed the necessary resources to ensure that the system will complement, not complicate, the job of the case manager.

■ JTPA Supplementation Grant

Up to 15% of the amount awarded to each county in the form of JTPA supplementation may be spent on reasonable program support costs.

■ Thorough evaluation of REACH's processes and outcome

REACH needs to assess the extent to which it meets its objectives. REACH's evaluation component will also be a primary source of information to State and Federal policy makers on which to base refinements in program design, operation and resource allocation. A Request for Proposals will be issued to select the best evaluator and the Federal government will share the costs of this evaluation. This analysis will make REACH the best assessed welfare reform program ever.

The REACH evaluation will have four major components:

■ Implementation and Process Analysis

The evaluator will assess REACH's statewide implementation, and determine how it can work better in New Jersey and elsewhere.

■ Impact Analysis

The evaluator will estimate the extent to which participation in REACH reduces welfare dependency and leads to increased employment, earnings, educational attainment and other positive outcomes.

■ 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 and by the state and federal government.

■ In-Depth Analysis

As a supplement to the data obtained from administrative records, the evaluator will conduct focus groups with REACH participants and REACH graduates. In addition, the evaluator will conduct yearly follow-up interviews with REACH graduates in order to obtain information that is unavailable through administrative records.

Corrective Actions

■ Client Flow

Previously, welfare was a simple matter of applying for and receiving a check. Under REACH, clients must proceed through a series of steps designed by each county to move them off welfare. These steps could include Life Skills Training, vocational assessment or remedial education--steps that are necessary for clients to receive the full benefit of REACH's multi-service program. As we saw earlier in this report, projections regarding client participation have been on target. But the flow of clients through the system is not as quick as we would like. The Department is working closely with the counties to enhance client flow in every way possible.

At times, REACH clients are determined eligible for the program, but fail to show up for orientation sessions. In recognition of the REACH case manager's need to monitor clients who do not show up for program activities or to encourage recipients to participate in the program, the Department of Human Services is making funds available to each county to be used for these purposes.

■ Paperwork

REACH requires all able-bodied AFDC recipients to participate in an employment-related program in order to receive their benefits. However, this requirement creates many new demands on the system, including increased paperwork. And Federal and State reporting requirements only contribute to this problem.

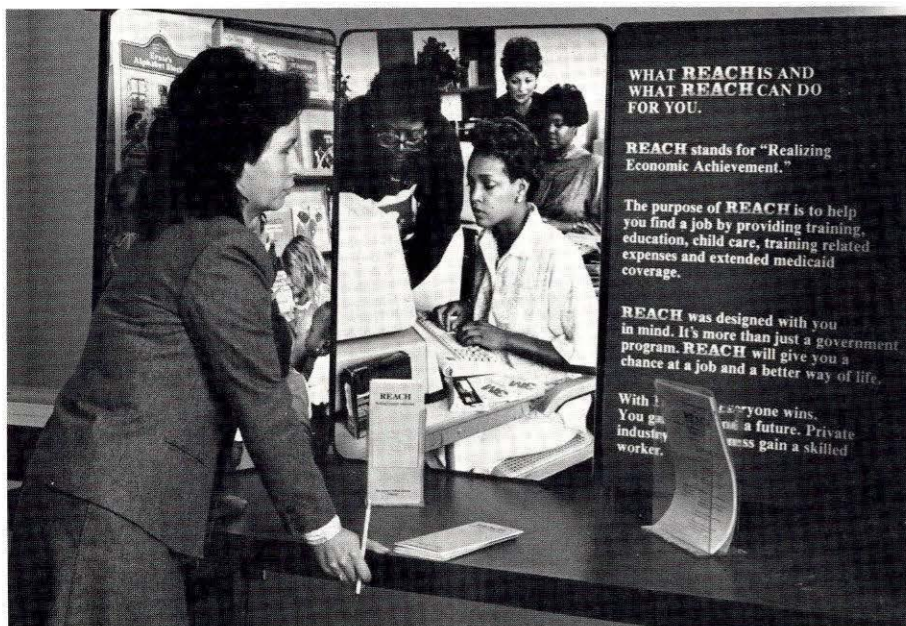
The funds to monitor client flow mentioned above can be used to hire additional staff to help with paperwork. Of course, an ideal situation would be to eliminate a

portion of the paperwork itself. Currently, the Department of Human Services is in the process of determining what paperwork is, and is not, required by law to comply with AFDC or JTPA program requirements, State legislation and federal waivers. In addition, REACH staff have met with county representatives to determine what forms need to be completed and to recommend which ones can be eliminated. A final report containing their recommendations will be completed by May 1.



■ Sanctions

REACH provides for specific sanctions for those who fail to participate in the program, despite extensive good faith efforts to encourage them to do so. However, county staff have expressed their belief that the present sanctioning process needs to be clarified to give case managers a clear understanding of how and when sanctions should be applied.



Division of Public Welfare staff are currently considering revising several sections of the REACH regulations that deal with sanctions. As soon as these revisions are complete, they will be sent to all counties and interested parties for review and comment.

■ Marketing and Advertising

Counties need to publicize the REACH program in order to ensure that the public, the private sector and welfare recipients know who the program effects, how it operates and what they can do to participate in it.

Although the Department of Human Services has conducted a public awareness effort, including REACH brochures, fact sheets, displays and participant's hand-

books, more information must be disseminated on the program.

In response to county requests for additional funding for marketing and advertising, the Department is making available a \$5,000 grant to each county for these purposes. In addition, the Department is in the early phases of planning for a statewide conference this Fall to help counties share information and expertise about the program.

■ Day Care

The most common question asked about REACH is, "Is there enough day care?" The simple answer is no; the demand for day care in New Jersey, like the rest of the nation, exceeds the supply. But to make welfare reform a reality we must tackle this problem and do what we can to stimulate the supply of day care.

However, three important factors must be considered in addressing the day care issue. First, only one-third of REACH participants will need formal day care. This fact makes the issue of providing day care less overwhelming. Second, if there isn't day care for a REACH client, then the client is exempt from REACH. While this doesn't help the client toward self-sufficiency, it also doesn't place unrealistic expectations on the client or on the child care system in our state. Third, REACH understands the need to invest resources to enhance the supply of day care. That's why child care is the largest item in the REACH budget.

But the Department of Human Services is also taking steps to address the following specific child care concerns expressed by counties:

■ Voucher Amounts

During the REACH design phase, a study was conducted to gather information on child care market rates across the state. But the use of state averages to compute voucher amounts proved to be problematic,

since counties with higher costs believed the voucher levels would be a barrier to obtaining child care for REACH participants. However, the Department of Human Services was reluctant to raise voucher levels without the benefit of actual REACH county experience with vouchers.

As an interim step, start-up implementation grants were awarded to REACH counties and they were encouraged to use part of this grant to supplement voucher amounts. In reviewing how counties used the REACH start-up grants, it was noted that they chose not to raise the voucher amount across-the-board, but elected to supplement vouchers in special circumstances, or for infant care. But voucher levels remain a real concern for the Department even though no client in need of child care has gone without it.

In order to reassess voucher levels, the Department is considering each county's experience with vouchers and is also duplicating the child care survey it conducted two years ago. The results of this survey, as well as the counties' experience, will provide us with sound information upon which to determine whether and to what level the vouchers will be raised. If changes are found to be warranted, announcement of the increased voucher levels will be made on or prior to July 1, 1988.

Additionally, in response to county requests that voucher amounts be increased to reflect the additional care needed by Special Needs Children, the Department has established a policy whereby such children, regardless of age, will be eligible for the highest established voucher rate.

■ Capacity Enhancement

REACH counties have raised concern with the development of new and expanded child care capacities within their counties.

Since child care is so critical to REACH's success, the Department has required each county REACH Planning Committee to designate a local lead REACH Child Care Agency. The Department has also dedicated 15% of REACH Child Care funds to be expended on activities specifically geared to the recruitment and development of additional child care slots for REACH participants.

In addition, the Department will utilize a portion of first year REACH child care funds to build capacity in the day care system to enable that system to serve REACH clients more effectively.

To this end the following will be provided: capital support for day care center expansion, assistance to the organizations that recruit and train family day care providers, and assistance to

individual day care providers in meeting voluntary registration standards.

■ Family Day Care Registration Requirements

Some county representatives believe that the Family Day Care Registration requirements are unduly restrictive. The Department of Human Services reviewed the regulations governing Family Day Care and incorporated many of the counties' suggestions in revised regulations.

REACH doesn't require Family Day Care registration of household members or relatives who provide child care to REACH participants; however, relatives or household members can receive REACH child care payments. The rate of payment is one-half the full voucher amount, appropriate to the age of the child. This stipend covers the costs of caring for a relative's child (e.g. food, diapers).

However, the Department determined that if family members choose to register, and meet Family Day Care standards, they will be eligible for the full voucher amount.

■ Child Care Handbook

Counties requested that information about child care policy be provided in a standard written format, with regular updates. Department staff are now developing a Child Care Handbook to meet this request.

Issues

Other issues to be addressed in REACH include:

■ Participation rates

No other state has instituted a mandatory program for young mothers with young children, so information about participation rates for this population can't be gleaned from other programs. The WIN experience shows that about 30 percent of the AFDC population will be exempt from participation for good cause reasons; a sick child at home, or temporary disability. But it's unclear if this population of young mothers with young children will present a different set of circumstances that will

affect participation rates. For example, historically, many in the AFDC population have suffered from poor health. Will the young mothers we are trying to prevent from becoming dependent on welfare also have sick children that will prevent them from participating in REACH?

■ Basic education (illiteracy)

Everyone readily acknowledges that having a high-school diploma does not necessarily mean that its recipient is literate. While we have information about the number of AFDC recipients who are high-school graduates, we cannot assume that this group will be accepted into a training program that requires a seventh grade reading level. The Department of Human Services is now in the midst of collecting better data on reading levels.

■ Making sure we secure sufficient resources to fund all program components

REACH is built on the principle of mutual obligation, that both the client and the state must take action to achieve results. For the State to uphold its end of the bargain, resources must be available to support the opportunities and supports we provide to clients. And REACH only needs to reduce the welfare caseload by 15% to make the program pay for itself.

But we must continue to be vigilant about ensuring adequate REACH funding—without the funds to provide needed program components, REACH is an empty promise.

■ Underspending

REACH is in its first year. Originally, the Department of Human Services had projected its funding request based on start-up in thirteen counties. But the legislature, county representatives, and others cautioned us to begin the program more slowly. As a result of these concerns, only ten counties will begin REACH during FY '88. This altered phase-in is the major reason why there will be an unexpended balance at the end of our first program year.

Conclusion

We have met dozens of challenges thus far in putting REACH in place. We should not be surprised that there are issues to address in the implementation of REACH. Major reform is never easy, but there is no alternative—the life dreams of thousands of clients hinge on our success.

The future of REACH rests on learning and adapting and on finding solutions to the problems encountered. Ultimately, REACH will become and re-define "welfare." Under this new definition, welfare will become only a temporary stop on the way to a self-sufficient life, rather than a way of life.

Already clients are recognizing and seizing the opportunities presented by REACH—their participation is a chance to do something with their lives, not a chore to be avoided. More and

more, we will see the disparate parts of our welfare, education, and training systems come together, to offer more accessible and integrated services to clients. REACH will put the welfare system on a better track; REACH will keep many people off the welfare rolls and in doing so will help to pay its own way.

Through its investment in people REACH can provide a brighter future for those who strive to make their own way, without public assistance. ■

"The costs, in lives and dollars, of not changing our welfare system are simply unacceptable."

Commissioner Drew Altman



