Cost-Effectiveness of Selected PRC Programs of the Lucas County Department of Job and Family Services

A Report by the University of Toledo Urban Affairs Center
and the Evaluation Subcommittee of Lucas County Human Services Planning Commission

Lynn Bachelor, Ph.D.
Department of Political Science and Public Administration
Faculty Research Associate, The Urban Affairs Center

With

Gregg Rice
Data Manager, The Urban Affairs Center

April 2002

Executive Summary

This study examines the Prevention, Retention, and Contingency (PRC) voucher program of the Ohio Department of Job and Family Services in Lucas County. In the 2000-2001 biennium, JFS received $18.1 million in PRC funds to "prevent and strategically intervene… (to) forestall long-term dependency." The study is based on examination of case records of 4,979 vouchers issued between October 2000 and July 2001; additional information on employment and receipt of other JFS services (such as food stamps, Medicaid, or child-care assistance) was examined for a 10 percent sample of voucher recipients.

Significant findings include:

- The average number of vouchers received by clients was 1.42, with over 70% receiving only 1 voucher.

- 57% of recipients were employed when they received the voucher.

- Of those who were initially jobless, 41.8% held a job during one or both of the two "redetermination" reviews--roughly 2 and 6 months after receiving a voucher.

- 37% of recipients who were employed when receiving vouchers were still employed at the end of the 10-month period.

- Recipients who received two services in addition to employment were most likely to be consistently employed. This suggests that more support services are needed than simple employment assistance. However, those who received three services were the most likely to be consistently unemployed. Because nearly all who received three additional services received child-care assistance, it is apparent that the presence of young children requiring childcare was a serious obstacle to securing employment.

- Approximately two thirds of vouchers were issued for housing-related purposes (primarily assistance with rent and utility expenses), and one-third for employment-related expenses (primarily car repairs and purchase of uniforms). Recipients of housing-related vouchers were more likely to be and remain unemployed. Recipients of employment-related vouchers were more likely to be consistently or intermittently employed.

- In both job- and housing-related programs, vouchers were more cost-effective in promoting job retention among already employed, than in helping the unemployed obtain jobs.

Introduction

The Prevention, Retention and Contingency (PRC) program has been characterized as a proactive approach, "looking forward to *prevent* and strategically *intervene* when the investment of resources can forestall long-term dependency," by providing for contingent needs, helping families with urgent problems that could result in the need for long-term public assistance. (Ohio Job and Family Services, 2000: 1) In the State Fiscal Biennium 2000-2001, Ohio's 88 counties expended $695.2 million in PRC funds in ten broad program areas: employment and training, diversion, work support and retention, child welfare and protection, non-custodial parents, pregnancy prevention, domestic violence, emergency, contingency and disaster services, youth educational support services, community and economic development, and Early Start (services to families with young children).

The Lucas County Department of Job and Family Services received $18.1 million in PRC funds for the 2000-2001 biennium. The focus of this evaluation is on the cost-effectiveness of the Diversion, Work Support, and Retention benefits provided in the form of voucher payments to individual clients.

To assess the cost-effectiveness of the vouchers, we compiled information on recipients of vouchers for approximately a10-month period between October 2, 2000 and July 20, 2001 from LCJFS records. LCJFS staff provided us a file of all data base entries for this time period (an entry is made each time a voucher is issued). These data, 4,979 voucher records, were reformatted by Gregg Rice into an Excel file with the following fields: client name, client case number, date of issue of voucher, purpose of voucher, amount of voucher, total voucher funds received during the time period. This information was used to calculate the total number of clients receiving vouchers, number receiving vouchers each month, number of each type of voucher received, yearly and monthly costs, and costs per client.

We had initially planned to examine information on employment status, income, and cash assistance payments for all participants, in order to assess the relationship between employment status and types and amounts of voucher benefits received. However, we learned that compiling this information would have been extremely time-consuming for JFS staff. Instead, we drew a 10 percent sample of voucher recipients, for which JFS was able to provide the following additional information: other services received (e.g., food stamps, child care subsidy, Medicaid), employment at time the voucher was issued, employment at first and second re-determination reviews (usually 2 to 6 months later), monthly employment hours, and places of employment. These data on the sample of voucher recipients were merged with information on the type of voucher and date of issue; case number and name fields were used to link the sample records with the file of all voucher recipients and incorporate information on other vouchers received by clients in the sample.

Summary of Analysis

The first stage of the analysis was to compile summary information on voucher recipients, as stated in our proposal. The results of this initial analysis are listed below:

Total number of clients receiving vouchers (October 2000 – July 2001): 3,518
Total number of vouchers issued: 4,979
Average cost per client: $596.96
Average number of vouchers per client: 1.42
Number of vouchers clients received:

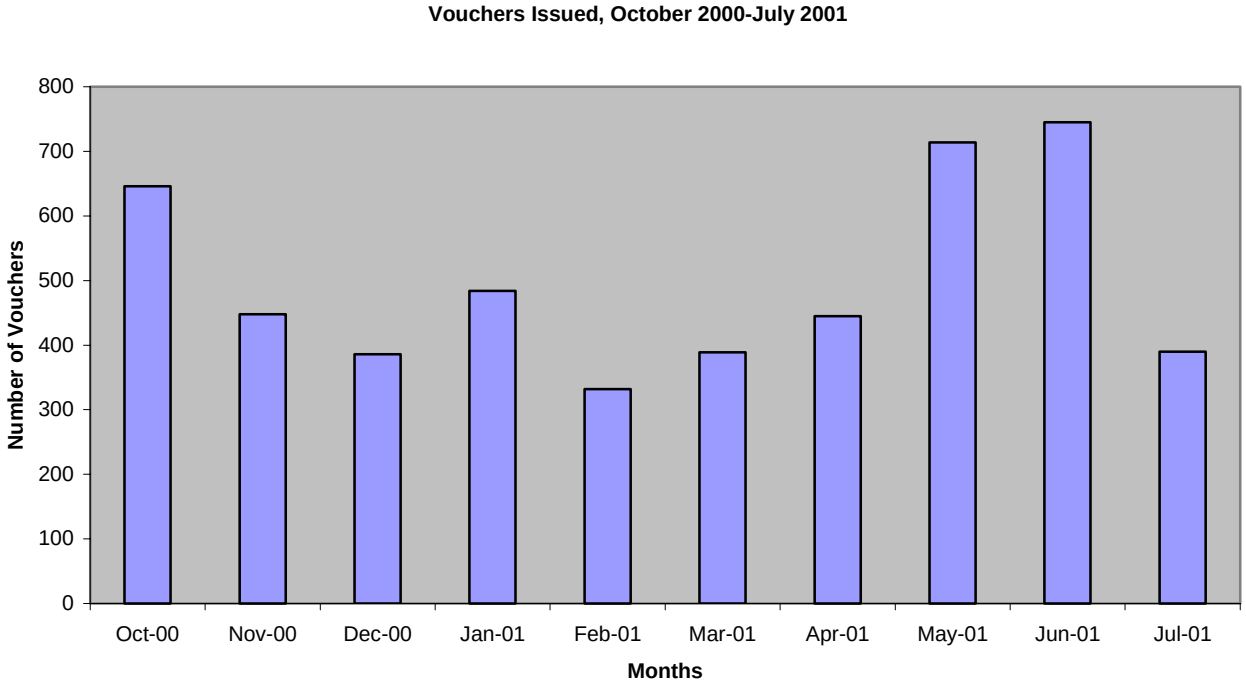
1 voucher	71 percent
2 vouchers	20 percent
3 vouchers	6 percent
4 or more vouchers	3 percent

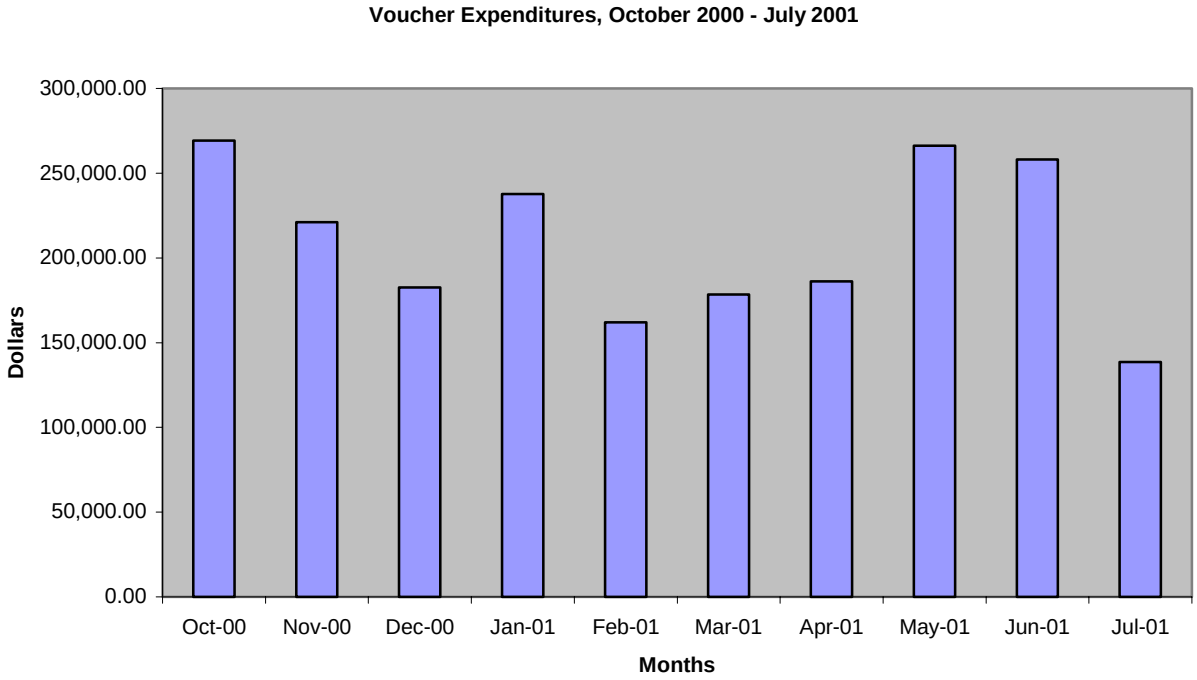
Table 1. Vouchers Issued, by Type, October 2000 - July 2001

Category	Number	Percent	Total $	Average $
Housing-related	3,229	64.9	$1,292,390.70	$400.24
Bedding	21	.4	$6,838.92	$325.66
Disaster relief	82	1.6	$38,644.60	$471.28
Electrical	677	13.6	$202,248.00	$298.74
Eviction	53	1.1	$36,715.00	$692.74
Furniture	71	1.4	$31,258.80	$440.26
Gas	523	10.5	$135,421.00	$258.93
Household items	44	0.9	$29,284.00	$665.55
Rent deposit	133	2.7	$66,251.80	$498.13
Shelter rent	1527	30.7	$727,783.00	$476.61
Water	46	0.9	$10,356.50	$225.14
Water deposit	52	1.0	$10,589.10	$203.64
Employment-related	1,594	32.0	$828,046.30	$519.48
Books	64	1.3	$12,486.60	$195.10
Car insurance	175	3.5	$41,612.00	$237.78
Car repair	785	15.8	$606,531.00	$772.65
Training	79	1.6	$23,579.00	$298.47
Tuition	46	0.9	$14,895.70	$323.82
Uniforms	445	8.9	$128,942.00	$289.76
Other*	153	3.0	$71,708.19	$468.68
Total	4,976	100.0	$2,192,145.10	$440.54

*Categories with small numbers of recipients were combined: bottled gas, clothing, employment incentive, fuel oil, furnace repair, heat stove, home repair, mortgage payment, telephone bill, refrigerator, space heater, stove, work supplies, tools, “uninhabitable”. Numbers were roughly evenly divided between employment-related and housing-related vouchers.

Chart 1 – Vouchers and Expenditures, by Month





Vouchers and Employment: Analysis of Sample of Recipients

Of the sample of 493 clients for whom employment information was requested, 32 had invalid case numbers, and 8 were confidential cases; no further analysis was done on these cases. Employment information as of the date of receipt of the voucher was unavailable for 13. Of the remaining 440, 252 (57%) were employed at the time they received the voucher. At the first redetermination review, 152 of this group were still employed, and at the time of the second redetermination review, 93 of the 152 remained employed. This represents 37 percent of those who were initially employed, and 21 percent of all clients for whom employment information was available. Further analysis of this subgroup can help us to understand factors associated with their "success" in retaining employment.

Slightly more than half of those who were continuously employed, 53 percent (49), worked for the same employer. Most received other services: 54 percent received food stamps and Medicaid, and 32 percent received food stamps, Medicaid and subsidized child care. The most common types of vouchers received by this group were for rent (29 percent) and car repairs (20 percent)

Table 2. Characteristics of continuously employed voucher recipients
(93 individuals from sample of 440 for whom this information was obtained)

Other Services Received	**Number (percent)**	
None	2	(2.2 %)
Medicaid	6	(6.5 %)
Medicaid, for children only	2	(2.2 %)
Food stamps, Medicaid	50	(53.8 %)
Subsidized Child Care, Medicaid	2	(2.2 %)
Child Care, Food Stamps, Medicaid	30	(32.3 %)
No information	1	(1.1 %)

Type of Voucher	**Number (percent)**	
Rent	27	(29.0 %)
Car repair	19	(20.4 %)
Uniforms	12	(12.9 %)
Electricity	11	(11.8 %)
Gas	10	(10.8%)
Other	13	(14.0%)
No information	1	(1.1 %)

To facilitate comparison of the consistently employed with other clients, employment information was recoded from three variables (employment at time voucher was received, employment at first redetermination review, and employment at second redetermination review) into a summary variable, employment score. Recipients who were consistently employed were assigned a score of 3; those who were employed at two of these three times were assigned a score of 2; those who were employed at only one of the three times, a score of 1, and those who

were consistently unemployed, a score of 0. Types of vouchers, and other services received were also recoded. Types of vouchers were grouped into those relating to housing and those more related to employment, as indicated in Table 5. Other services received were recoded into the number of additional services received, ranging from none to three. The tables below report the relationships between number of other services received and employment, and between type of voucher and employment.

Table 3. Employment Score and Other Services Received

	Employment Score				
# of other services	0 - Never employed	1	2	3 - Consistently employed	Total
0	5 (13.9%)	24 (66.7%)	5 (13.9%)	2 (5.6%)	36 (100.0%)
1	15 (23.8%)	20 (31.7%)	20 (31.7%)	8 (12.7%)	63 (100.0%)
2	42 (23.9%)	40 (22.7%)	41 (23.3%)	53 (30.1%)	176 (100.0%)
3	68 (39.3%)	50 (28.9%)	25 (14.5%)	30 (17.3%)	173 (100.0%)
Unknown	2 (40.0%)	2 (40.0%)		1 (20.0%)	5 (100.0%)
Total	132 (29.1%)	136 (30.0%)	91 (20.1%)	94 (20.8%)	453 (100.0%)

Chi-square: 61.541, 15 d.f., sig. .000

Table 4. Employment Score and Voucher Type

	Employment Score				
Voucher Type	0 – Never employed	1	2	3 – Consistently employed	Total
1- Housing related	107 (35.7%)	86 (28.7%)	53 (17.7%)	54 (18.0%)	300 (100.0%)
2 – Employment related	25 (16.4%)	50 (32.9%)	38 (25.0%)	39 (25.7%)	152 (100.0%)
Total	132 (29.1%)	136 (30.0%)	91 (20.1%)	93 (20.8%)	452 (100.0%)

Chi-square: 18.930, 3 d.f., sig. .000.

Review of these tables shows statistically significant relationships between the number of additional services provided to a voucher recipient and length of employment. Recipients who received two other services were the most likely to be consistently employed, while those who received three other services were the most likely to be consistently unemployed. Those who received no additional services, and those who received one additional service tended to be intermittently employed (employment scores of 1 or 2), suggesting that more support services are necessary to maintain employment. Recipients of housing-related vouchers were twice as likely as recipients of employment-related vouchers to be consistently unemployed. Conversely, those who received vouchers that were supportive of employment activities (uniforms, training, car repair assistance) were more likely to be consistently or intermittently employed.

A better understanding of the relationship between employment scores and level of other services can be gained by examining employment scores in relation to specific types of other services. Nearly all of the clients receiving three other services received childcare assistance (171 of 173) but very few of those who received two other services received childcare assistance (9 of 176). Review of Table 5 shows that clients who received childcare assistance were more likely to be consistently unemployed, regardless of the number of other services they received,

and that those who did not receive childcare assistance were more likely to be consistently employed. Having young children requiring childcare, then, seems to be a serious obstacle to securing or retaining employment.

Table 5. Employment Score and Type of Other Services Received

	Employment Score				
Other Services	0	1	2	3	Total
None	5 (13.9%)	24 (66.7%)	5 (13.9%)	2 (5.6%)	36
Food Stamps or Medicaid	15 (23.8%)	20 (31.8%)	20 (31.8%)	8 (12.7%)	63
Child Care & Medicaid	3 (27.3%)	3 (27.3%)	2 (18.2%)	3 (27.3%)	11
Food Stamps & Medicaid	38 (23.8%)	36 (22.5%)	38 (23.8%)	50 (31.3%)	162
Cash Assistance and Medicaid	1 (33.3%)	1 (33.3%)	1 (33.3%)	--	3
Cash Assistance, Food Stamps, and Medicaid	1 (50.0%)	1 (50.0%)	--	--	2
Child Care, Food Stamps, and Medicaid	67 (39.2%)	49 (28.7%)	25 (14.6%)	30 (17.5%)	171
No information	2 (40.0%)	2 (40.0%)	--	1 (20.0%)	5
Total	132 (29.1%)	136 (30.0%)	91 (20.1%)	94 (20.8%)	453

To compare the impact of vouchers on securing employment with their impact on employment retention, we examined the employment history of recipients of different types of vouchers. In Table 6 (below) "employment scores" have been replaced by more detailed information on employment history, which permits us to examine patterns of employment and unemployment. Clients with an employment score of "1", for example, may have been employed at any of three times (when they received the voucher, at their first redetermination review, or at their second redetermination review). The "employment history" variable separates these clients, so that we can examine the effect of vouchers in helping the initially unemployed obtain jobs, as well as their contribution to job retention among those who were employed when they received vouchers. Consistent with the examination of employment scores, recipients of employment-related vouchers were more likely than recipients of housing-related vouchers to be consistently employed, and recipients of housing-related vouchers were more likely than recipients of employment-related vouchers to be consistently unemployed. Relatively few clients who were unemployed when they received a voucher subsequently secured employment (11.0 percent) and a slightly higher percentage of housing-related voucher recipients than employment-related voucher recipients who were initially unemployed reported having jobs at one of the redetermination reviews. It should be noted as well that nearly 40 percent of client records in the sample had incomplete employment information; the actual percentages of employed and unemployed clients for each of the three employment variables may be quite different from those that could be calculated from the data available to us.

Table 6. Voucher Type and Employment History

	Type of voucher		
Employment history	Housing-related	Employment-related	Total
Consistently employed (when received voucher, at 1st and 2nd redetermination review)	54 (19.4%)	39 (28.3%)	93 (22.3%)
Employed when received voucher and at 1st or 2nd redetermination review	20 (7.2%)	11 (8.0%)	31 (7.4%
Employed when received voucher, but not at either redetermination review	15 (5.4%)	8 (5.8%)	23 (5.5%)
Unemployed when received voucher, employed at 1st or 2nd redetermination review	23 (8.3%)	8 (5.8%)	31 (7.4%)
Unemployed when received voucher, employed at 1st and 2nd redetermination review	11 (3.9%)	4 (2.9%)	15 (3.6%)
Consistently unemployed (when received voucher, at 1st and 2nd redetermination review)	55 (19.7%)	9 (6.5%)	64 (15.4%)
Employment status undetermined (missing data on one or more employment variables)	101 (36.2%)	59 (42.8%)	160 (38.4%)
TOTAL	279 (100.0%)	138 (100.0%)	417 (100.0%)

The data also permit us to calculate "employment retention" rates for clients who had jobs at the time they received a voucher, and "job acquisition rates" for clients who were unemployed at the time they received a voucher. In these calculations, recipients with incomplete employment information were excluded from the analysis. Complete information was available for 147 of the 252 initially employed recipients, and for 110 of the 188 initially unemployed recipients. Of the initially employed recipients, 93 remained employed at the time of both redetermination reviews, a retention rate of 63.3 percent. Of the initially unemployed recipients, 46 were employed at the time of one or both redetermination reviews, a job acquisition rate of 41.8 percent.

Table 7 below shows the relationship between number of services received and employment history of voucher recipients. Again, the large proportion of cases with incomplete employment information makes it difficult to conclusively identify any relationships. However, it is evident that consistent employment was most common among those who received two additional services, while consistent unemployment was most common among recipients who received three additional services. As noted earlier, nearly all clients who received three additional services received a child care subsidy; the demands associated with caring for young children seem to be an important factor in their employment difficulties.

Table 7. Employment History and Number of Services Received

Employment history	Number of other services received: None	1	2	3	Total
Consistently employed (when received voucher, at 1st and 2nd redetermination review)	2 (6.5%)	8 (13.8%)	53 (32.5%)	30 (18.4%)	93 (22.4%)
Employed when received voucher and at 1st or 2nd redetermination review	2 (6.5%)	1 (1.7%)	19 (11.7%)	9 (5.5%)	31 (7.5%)
Employed when received voucher, but not at either redetermination review	0	3 (5.2%)	10 (6.1%)	10 (6.1%)	23 (5.5%)
Unemployed when received voucher, employed at 1st or 2nd redetermination review	0	1 (1.7%)	9 (5.5%)	21 (12.9%)	31 (7.5%)
Unemployed when received voucher, employed at 1st and 2nd redetermination review	1 (3.2%)	0	8 (4.9%)	6 (3.7%)	15 (3.6%)
Consistently unemployed (when received voucher, at 1st and 2nd redetermination review)	1 (3.2)	5 (8.6%)	22 (13.5%)	36 (22.1%)	64 (15.4%)
Employment status undetermined (missing data on one or more employment variables)	25 (80.7%)	40 (69.0%)	42 (25.8%)	51 (31.3%)	158 (38.1%)
TOTAL	31 (100.0%)	58 (100.0%)	163 (100.0%)	163 (100.0%)	415 (100.0%)

Our analysis suggests that vouchers are more effective in promoting job retention among already employed recipients than in assisting unemployed clients in obtaining jobs. Job retention rates were higher among recipients of employment-related vouchers than among recipients of housing related vouchers, but differences in job acquisition rates between the two types of vouchers were small. Because employment-related vouchers have a higher average cost (Table 1), comparison of the cost-effectiveness of each type of voucher may also be instructive. To calculate cost-effectiveness for job retention, we multiplied the average cost of each type of voucher by the number of clients employed when the voucher was issued, then divided this amount by the number of jobs retained. The cost-per-job-retained for housing vouchers ($1,059.89) was roughly $400 less than that for employment-related vouchers ($1,438.56).

To compare the cost-effectiveness of the two types of vouchers in assisting unemployed clients in obtaining jobs, the average cost of each type of voucher was multiplied by the number of clients unemployed when the voucher was issued, then divided by the number of jobs obtained at each redetermination review. Job-related vouchers were slightly more cost-effective, with a cost per job obtained of $1,645.02, compared with $1,765.76 per job obtained for housing-related vouchers. This may reflect issuance rules that require that recipients of car repair vouchers be employed; this rule combined with the higher costs of care repairs may account for this difference. It is worth noting as well that both types of vouchers were more cost-effective for job retention than for job acquisition.