



Redesigning Employment Supports for Low-Income Families in Rhode Island

The Government Performance Lab (GPL) provided pro bono technical assistance to help Rhode Island Department of Human Services improve self-sufficiency outcomes for low-income families by redesigning the array of supportive employment services and strengthening program management.

The Challenge: For over 20 years, Rhode Island Works (RIW) has provided cash assistance and job search services as part of the state’s Temporary Assistance to Needy Families (TANF) program. TANF assists approximately 10,500 low-income individuals in accessing necessities like food, shelter, and medical care, and RIW complements this service by providing qualifying caregivers with financial and employment assistance to enter the workforce.

When Governor Gina Raimondo’s administration took office in 2015, however, RIW had been consistently underperforming in long-term self-sufficiency outcomes for clients—few individuals achieved high-quality jobs or sustained employment for over one year. Additionally, RIW was nationally ranked near the bottom in the Work Participation Rate (WPR), a federal measure that counts the number recipients engaged in work-related activities as a share of all work-eligible clients receiving benefits. While recognized by most experts as an imperfect measure, states that do not meet federal WPR standards are at risk of being penalized by a reduction in their federal funding. Many states attempting to improve WPR artificially shrink the denominator by constraining the number of work-eligible clients receiving federal benefits through creating obstacles to enrollment or using state funds to serve the neediest clients. Rhode Island instead sought to help more clients work or prepare to work, which would in turn cause the WPR numerator to grow.

Poor performance on both indicators was driven by the fact that RIW’s service array focused on educational and training resources, but the population it served faced significant barriers to utilizing those services, including challenges with housing, behavioral health, and intimate partner violence. In order to support low-income families in accessing and benefiting from employment resources, the agency needed to expand its services to include supports for overcoming housing, health, and behavioral health challenges that prevented families from utilizing employment and educational supports.

The Project: Rhode Island’s Department of Human Services (DHS) aimed to drive better employment and self-sufficiency outcomes for families by redesigning the RIW service array and improving program management. With assistance from the GPL, they:

- 1. Redesigned and reprocured RI Works’ \$7 million array of services to offer a wider mix of individualized supports that address underlying barriers to employment**

Prior to the project, RI Works provided fragmented vocational training and job search services alongside services for parenting and pregnant teens. With help from the GPL, DHS designed and issued two procurements that sought to broaden the array of supports available to work-eligible clients and better integrate clients’ service experience when they would benefit from multiple programs at once. When the initial procurement resulted in submissions of business-as-usual bids, DHS canceled the RFP and embarked on an

extensive campaign to engage and educate community providers about the need for new solutions. A second RFP produced several innovative proposals and resulted in the addition of an entirely new set of supportive services that focus on mitigating non-employment barriers, including services for behavioral health, substance use treatment, housing stabilization, and domestic violence support. Services were reorganized from an alphabetical list into program categories that clarified the outcomes DHS expected from each and would facilitate more coordinated agency oversight for similar services (see table below). The procurement also consolidated the number of contractors, decreasing the need for clients to switch providers to access additional resources and leading to more consistent case management experiences.

This combination of changes enabled DHS to offer clients individualized service plans that more logically progressed to meet needs: first removing barriers and stabilizing families, then increasing client education and building professional skills, and finally moving clients into sustainable employment to help families move off benefits.

New TANF Service Array reflected in RFP			
Supportive Services	Teen and Family Development	Vocational Training	Work Readiness
<ul style="list-style-type: none"> • Behavioral health services • Substance use services • Housing stabilization • Intimate partner violence support 	<ul style="list-style-type: none"> • Services for pregnant and parenting teens • Services for youth needing to acquire high school diploma or GED 	<ul style="list-style-type: none"> • Short-term industry specific training • Credential and certificate programing 	<ul style="list-style-type: none"> • Job readiness activities • Job search supports • Work experience and community service activities • Transitional jobs and on-the -job training

2. Incorporated performance-based payments to drive improved short and long-term self-sufficiency outcomes for clients

As part of the new contracts, DHS incorporated new performance-based bonus payments to focus provider attention on a prioritized set of client outcomes. Each provider has at least two performance payments enumerated in their contracts: one set of payments specific to each service component category and one payment linked to client earnings that applies to all providers (see the table below). The category-specific payments were linked to client results that, if achieved, would position that client to progress to the next set of supports necessary for employment:

- Supportive service providers earn a bonus payment when a client maintains a minimum level of participation.
- Teen and family development providers earn a bonus payment when a youth client achieves a high school diploma.
- Vocational training providers earn a bonus payment when a client completes a training program.

- Work readiness providers earn a bonus payment when a client is employed six months after starting services. The bonus payment is 50% greater for clients who had been receiving RIW benefits the longest.

To incentivize vendor collaboration for clients’ overall success in reaching unsubsidized employment, vendors earn a bonus payment for any client with wages of \$4,000 or more in the fifth quarter after program enrollment.

The composition of these performance-based payments reinforces the sequencing of services for clients while simultaneously creating a feedback loop for providers and DHS to regularly review long-term outcomes and monitor program success; previously providers had little information about client employment outcomes after services were completed, making it difficult to know how programming might be improved.

Performance metrics	Payment	Service category
Activity hours: Compliance with employment plan activities assigned by DHS	\$5/10/25 per client per month based on success rate	Supportive services
Education: Client obtains high school diploma, equivalency, or college credit	\$500 per client	Teen & Family Development
Training Program Completion: Client completes vocational training program	\$500 per client	Vocational training
Employment: Client employed in unsubsidized job 6 months after enrollment	\$500 per client; \$750 per “high-barrier” [†] client	Work readiness
Earnings in Q5: Client earns \$4,000 or more in the fifth quarter after the enrollment quarter	\$1,000 per client	All services

[†]High-barrier clients are defined as long-term Rhode Island Works Clients, or those who are currently in hardship.

3. Set up active contract management (ACM) strategies across all services to facilitate real-time improvements in service delivery and client outcomes

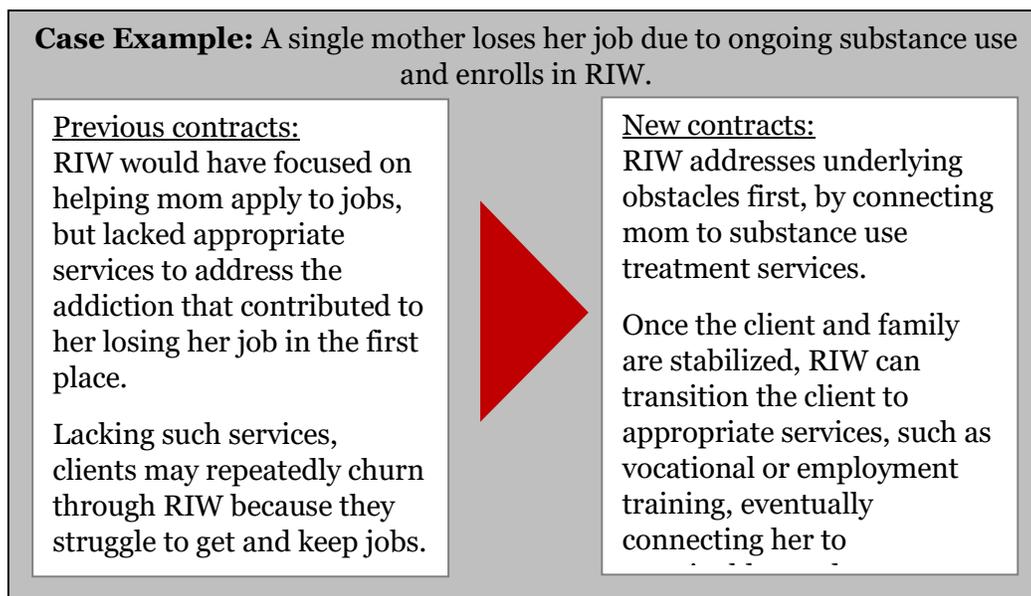
DHS implemented active contract management strategies across RIW services, consisting of monthly face-to-face meetings with contracted service providers to monitor key indicators and improve program implementation and outcomes. These meetings create an opportunity to review and respond to trends in individual-level data from a set of cross cutting dashboards, which include information on referrals, enrollment outcomes, barriers to employment, client participation, and job placements. For example, low enrollment rates were flagged as a key challenge early on and stakeholders focused on increasing the number of eligible clients who successfully enrolled. As part of this, DHS was able to address a high number of enrollment denials by clarifying criteria for processing denials to all providers.

In order to sustain a focus on long-term outcomes, such as earnings over time, DHS is also developing a regular match of RIW client data with Unemployment Insurance (UI) records. This feedback loop can provide insight for vendors into whether clients are successful over time, after they leave RIW services.

The Impact: Preliminary results indicate clients are utilizing new services, the Work Participation Rate has increased, and new processes have been established to sustain ongoing performance management. DHS has begun to demonstrate meaningful impact through this project by:

1. Identifying and filling a gap in services for individuals who are not yet work ready in order to improve their long-term employment outcomes

More than 830 unique clients are accessing newly available supportive services, including housing stabilization, substance use treatment, and behavioral health support. These supportive services aim to mitigate key barriers to employment to prepare individuals for success with other services, such as vocational training and work experience (see case example below).



2. Contributing to improvements in the work participation rate while maintaining a client-centered approach

Since DHS's rollout of new RIW contracts – as well as simultaneous improvements to the state's eligibility and case management data system – the work participation rate for has improved by one-third, from 16% in the six months prior to the new contracts to 21.5% in the six months once these contract and oversight reforms were launched. Because WPR only measures the share of eligible participants who are meeting all work requirements, DHS continues to measure other indicators related to client success—such as client access to child-care, trainings completed, and job placements—through performance-based payments and ACM strategies.

3. Creating data-driven feedback loops for government and providers to inform short-term program delivery improvements and long-term employment goals

Implementing ACM strategies resulted in the development of a new process for reporting and reviewing individual-level data every month, providing DHS easy access to updated information on clients and services. Data monitored through ACM strategies can be used to facilitate knowledge sharing of best practices across providers, highlight areas of concern or key challenges, and drive real-time improvements in service delivery. Recently, reviewing data in meetings revealed an on-going technology bug where some clients were not receiving

child care certificates from the state. Identifying this barrier led to the creation of a workaround process involving direct communication between vendors and the field staff supervisor, enabling vendors to better support clients with immediate child care needs. This process has improved the interface between government and providers, helping them to work more effectively together to support families in need.

Project partners have also fostered data sharing across departments to more holistically track and drive improvements in long-term employment outcomes. Data sharing with the Department for Labor and Transport's (DLT) Real Jobs Rhode Island program, for example, allows DHS and DLT to better track which clients are in which services. This collaboration can help provide a more integrated set of employment supports to clients regardless of the funding stream, help both departments avoid duplication of services, and ensure that the departments know how much of which services to offer given demand across the population rather than within their programmatic silos.

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