

## Executive Summary

The Achieving Change for Texans (ACT) demonstration was created after the enactment of Texas HB1863 in 1995, and operated in several Texas locations from June 1996 through March 2002. HB1863 stressed the temporary nature of welfare cash assistance and the need for people to move from welfare to work to gain independence and break the cycle of poverty. It was enacted over a year before the passage of the 1996 federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).

HB1863 contained several provisions that required waivers from existing Aid to Families with Dependent Children (AFDC) rules in effect at the time. It time-limited AFDC benefits, changed transitional benefits, enacted a personal responsibility agreement, and authorized one-time emergency cash payments. The ACT waiver was approved in March 1996 and was one of the last AFDC waivers granted prior to the passage of PRWORA.<sup>1</sup>

In 1997, the Texas Department of Human Services (TDHS) received funding from the U.S. Department of Health and Human Services (HHS) to evaluate ACT's effectiveness. TDHS conducted an implementation study through its Program Evaluation Unit and contracted with the University of Texas for the remaining portions of the evaluation. At the University, the Ray Marshall Center for the Study of Human Resources (Ray Marshall Center) conducted the impact analysis and overall summary of the evaluation, while the Center for Social Work Research (CSWR) interviewed participants in this demonstration to get their perceptions of welfare reform.

To assess the impact of ACT policies, the study compared outcomes for 44,852 TANF cases assigned to experimental or control groups in one of three experiments:

- ★ the Time Limits (TL) pilot,
- ★ the Responsibilities, Employment and Resources (RER) pilot in counties that were operating a workforce development program for TANF recipients in 1996 (RER Choices), and
- ★ the RER pilot in counties without a TANF workforce development program in 1996 (RER non-Choices).<sup>2</sup>

Cases were assigned at random so that specific ACT policies rather than differences in personal characteristics or changes in the external environment would be responsible for any differences found between the two groups in the follow-up period. The demonstration also included one component, one-time emergency cash payments in lieu of TANF benefits that was implemented statewide but not evaluated as a randomized experiment.

This summary is the final report from the ACT evaluation. It summarizes findings from all facets of the evaluation, which followed persons for five years after the beginning of the demonstration. The report presents findings from the formal impact study, and uses findings from the implementation study and the participant interviews to help interpret the meaning of these impacts. The conclusions and policy implications are written so as to inform the current (post-ACT) TANF policy environment in Texas.

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<sup>1</sup> PRWORA replaced AFDC with a new program, Temporary Assistance for Needy Families (TANF), which provides cash welfare payments to families. In this report, cash benefit payments issued at any time during the ACT demonstration are referred to as TANF payments.

<sup>2</sup> Choices replaced the Job Opportunities and Basic Skills (JOBS) program as Texas' workforce development program for TANF recipients.

Finally, the report compares these findings to those from other waiver experiments and highlights the policy implications of this study for Texas policy makers and a national research audience. This study is the only random-assignment evaluation that isolates the effects of a state time limit and a personal responsibility agreement for TANF recipients from other welfare reform components and from each other. As such, it will help to fill a void in the national research literature on welfare reform.