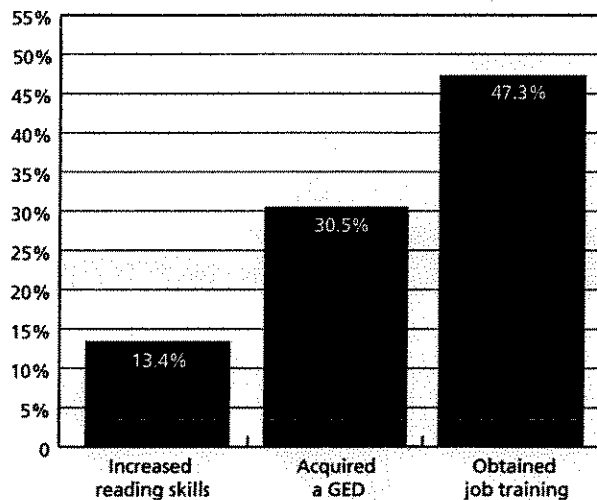


if they also participated in job training or other postsecondary programs. Those who participated in basic education and then went on to participate in job training had an additional \$1,542 (or 47 percent) in earnings in the third year of follow-up compared to those who participated only in basic education (see Figure 2).⁶⁹

Other studies have shown the benefits of job training when integrated with basic education. The Minority Female Single Parent Demonstration (MFSP), which operated in the 1980s, provided education, training, and support services to low-

FIGURE 2

Increase in Earnings for Adult Education Participants in Welfare-to-Work Programs, by Educational Outcome



Source: Bos, J., Scrivener, S., Snipes, J., & Hamilton, G. (2001). *Improving basic skills: The effects of adult education in welfare-to-work programs*. Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education. Available at www.mdrc.org.

income single mothers. One program (the Center for Employment Training [CET]) allowed women to enter job training immediately, regardless of their educational attainment, and integrated remedial education directly into this training for specific jobs. The other sites used a more traditional, sequential approach in which women generally were placed initially in basic education and entered job skills training only after they attained certain academic skills. The study found that the integrated program produced a 22 percent increase in earnings, while the other sites offering sequential services had no or small effects. CET's integrated basic education and job training services also increased hourly wages.⁷⁰

While programs with a strong postsecondary education and training component have generated positive results, an ongoing issue has been that few individuals without high school diplomas gain access to these activities. For example, in the three NEWWS evaluation sites showing large earnings gains from job training,

One program (the Center for Employment Training [CET]) allowed women to enter job training immediately, regardless of their educational attainment, and integrated remedial education directly into this training for specific jobs. The other sites used a more traditional, sequential approach in which women generally were placed initially in basic education and entered job skills training only after they attained certain academic skills. The study found that the integrated program produced a

only 15 percent of those who participated in basic education went on to this activity. (Note, however, that this sub-study did not include Portland.)⁷¹ Low levels of participation for this group appear to stem from several factors, including ineffective linkages between basic education and training; training programs that are not open to high school dropouts or people with low literacy levels, including many welfare recipients; and work-first programs that discourage extended participation in education and training.

✕ **Job training and other postsecondary education are also important for high school graduates.**

Welfare-to-work evaluations indicate that job training and other postsecondary education can also pay off for high school graduates. As discussed above, the Portland program produced the largest earnings impacts of all the NEWWS sites for this subgroup and substantially increased high school graduates' participation in job training and other postsecondary education. Although the Portland program did not have any effect on college degree receipt, it did have a positive effect on the receipt of trade licenses or occupational certificates for this subgroup.⁷² The education-focused program with the largest earnings impacts for high school graduates in the NEWWS evaluation (Atlanta) saw a substantial increase in job training participation and receipt of trade certificates for this group.⁷³ Finally, the Alameda County GAIN program in California, which operated in the 1980s and increased participation in job training by high school graduates, increased earnings by 12 percent—some of which was due to helping recipients find higher wage jobs.⁷⁴

✕ **Helping people increase their basic skills and/or obtain a GED also pays off in the labor market but more modestly than job training and other postsecondary education.**

Non-experimental analysis from three sites in the NEWWS evaluation showed that program participants also increased their earnings if they obtained a GED or increased their basic skill levels. Receipt of a GED increased annual earnings in the third year of follow-up by \$771 (30 percent). The analysis showed the earnings increase was due to having the credential itself, rather than any increase in basic skills that occurred in the process. Increased reading skills resulted in a smaller earnings gain of \$354 (13 percent) in the same period. While these gains are significant, they are considerably smaller than the \$1,542 increase in earnings that resulted when individuals went on to participate in job training after basic education (see Figure 2).⁷⁵

- ✕ For those with lower skills, it can take a substantial amount of time to participate in both basic education and job training, yet that combination pays off much more than basic education alone.

The Portland program, which produced large impacts on receipt of educational and occupational credentials for those without a high school diploma, had a relatively short basic education component and encouraged individuals to go on to job training, typically in community college certificate programs. The total length of time needed to participate in both basic education and training at the college was about a year.⁷⁶

Similarly, in the three NEWWS evaluation sites that saw large financial gains for those who participated in basic education and then went on to job training, the average length of time spent in these programs was 12.7 months. This is likely a significant underestimate of how long it typically took, as almost 30 percent were still enrolled in job training at the end of the two-year follow-up period.⁷⁷

Other research from the NEWWS evaluation shows that gains in reading skills appeared to vary with the length of time spent in adult education programs. Participants who stayed in adult education shorter than a year did not improve reading skills measurably, whereas longer stays were associated with substantial gains comparable to those achieved through regular high school attendance. However, each month of basic education increased math scores during the first six months of participation only. Similarly, each month of adult education increased the likelihood of GED receipt during the first six months of participation but not thereafter.⁷⁸ Other studies have consistently shown that individuals who received a GED did so in a relatively short amount of time and were more likely to have entered with relatively higher skills and education levels—meaning they were probably very close to receiving the credential when they entered the program.⁷⁹

- ✕ The quality of basic education and training programs appears to be critical to their effectiveness, as does maintaining a strong connection to employment.

Clearly, education and training are essential components of a successful welfare-to-work strategy that promotes not only initial employment but also long-term earnings gains and improved job quality. Research indicates that while adding skill-building activities to the mix of services improves impacts, it is critical that programs pay close attention to program quality. For example, one of the few programs to produce basic skills gains for welfare recipients (the San Diego

GAIN program) made a concerted effort to create high-quality services: it developed an entirely new system of learning centers just for GAIN students, which featured computerized instruction and specially trained staff; it provided off-campus locations; and it offered more hours of instruction per week than other regular basic education classes.⁸⁰

Overall, drawing on the wide range of research that has been conducted, several features of education and training programs are important:

- ✕ **EMPLOYMENT FOCUS.** Provide education and training within the context of a program whose central focus is employment.
- ✕ **INTENSIVE SERVICES.** Ensure that programs are intensive (offering a substantial amount of instruction each week) and that individuals can complete them in a reasonable amount of time if they attend regularly.
- ✕ **CLOSE MONITORING OF PROGRESS.** Monitor progress closely to ensure that individuals are attending regularly and that those who are not are reassessed and possibly assigned to a different activity.
- ✕ **TRANSITIONS FROM BASIC EDUCATION TO JOB TRAINING AND JOB SEARCH.** Encourage transitions from basic education and ESL instruction to job training and other postsecondary education. Follow up training and education with strong job development and job search efforts.
- ✕ **JOB QUALITY.** Promote obtaining higher paying jobs with benefits as a central goal throughout education, training, and job search services.
- ✕ **TRAINING OPTIONS FOR THOSE WITH LOW SKILLS.** Increase the capacity of programs to provide high-quality, intensive basic education and ESL services with strong links to training so that more of those with lower skills can access them and obtain occupational credentials.

Other features of high-quality education and training programs include a well-defined mission; specially targeted classes to students who are welfare recipients; skilled, experienced teachers; an emphasis on staff development; varied instructional approaches; regular communication with welfare-to-work staff; and a high degree of teacher-student and student-student interaction.⁸¹

4 IMPLICATIONS FOR FEDERAL, STATE, AND LOCAL TANF POLICIES

As we have described, the welfare-to-work programs that have been most successful in helping parents work more and increase earnings over the long run are those that include substantial access to education and training, together with employment services. This is because skills and educational credentials are strongly linked to success in the labor market generally and because welfare recipients on average have low skills that hinder their efforts to earn enough to support a family. Job training and other postsecondary activities appear to be particularly important in helping welfare recipients qualify for higher paying jobs.

Yet both participation in and spending on education and training programs have declined substantially under TANF. Just 1.5 percent of federal TANF funds were spent on education and training in fiscal 2001, and only 5 percent of TANF recipients participated in these activities in the same year.⁸² This curtailment in education and training, prompted in part by the federal law's disincentives to invest in these services, is not supported by the research, which unequivocally shows the benefits of a more balanced approach.

FEDERAL TANF REAUTHORIZATION

As Congress considers legislation to reauthorize the TANF block grant, the decisions it makes concerning access to education and training are likely to have a profound impact on the long-term success of welfare reform. Because education and training services are key to job advancement not only for those receiving welfare but also for other low-income parents, TANF reauthorization should include provisions that encourage states and localities to serve both groups and

to provide a spectrum of services that people can access when they are working and when they are unemployed. Toward this end, reauthorization should:

- ✧ **EASE SOME OF THE CURRENT RESTRICTIONS ON COUNTING EDUCATION AND TRAINING PARTICIPATION TOWARD FEDERAL WORK REQUIREMENTS.** There is clear evidence that providing a full range of employment, education, and training services is the most effective welfare-to-work strategy, and states should not be discouraged from providing any of these services.
- ✧ **ALLOW SUFFICIENT TIME FOR WELFARE RECIPIENTS TO MOVE THROUGH BOTH BASIC EDUCATION AND JOB TRAINING TO OBTAIN OCCUPATIONAL CERTIFICATES.** The newest research shows clearly that job training and other postsecondary education play a key role in boosting recipients' earnings. While it can take longer on average to complete both basic education and training than the current 12 months that such activities count toward TANF work rates, it is a worthwhile investment. The economic payoff is much larger than basic education or job search activities alone can provide.
- ✧ **MAKE IT EASIER TO BALANCE WORK, FAMILY, AND SCHOOL BY KEEPING THE OVERALL REQUIRED HOURS OF WEEKLY PARTICIPATION AT A REASONABLE LEVEL.** U.S. Department of Education research finds that the more hours postsecondary students work, the larger the negative impact on their grades and ability to stay in school. More than half of students who worked full-time reported it hurt their grades, as did a third of students who worked 16 to 20 hours. Given that most students in this study did not have children, the effects of too many work hours on educational outcomes for single parents could well be worse.⁸³
- ✧ **OFFER INCENTIVES TO STATES TO PROVIDE SUPPORT SERVICES AND WORK-STUDY POSITIONS TO LOW-INCOME PARENTS WHO ARE STUDENTS.** States should be encouraged to provide support services and job opportunities that better enable low-income workers to balance work, family, and school. It is also important to clarify that student work-study is countable toward work rates. In addition, Congress should examine in its reauthorization of the Higher Education Act how federal financial aid policies can better support both unemployed parents and low-wage workers in school.

- ✧ **ENCOURAGE STATES TO PROVIDE JOB RETENTION AND ADVANCEMENT SERVICES.** Retention and advancement should be part of TANF's goals, and federal grants should be given to spur public-private partnerships that help low-income workers upgrade their skills at the worksite.
- ✧ **PROVIDE FEDERAL GRANTS AND TECHNICAL ASSISTANCE TO BUILD TRAINING PROGRAM CAPACITY IN PARTNERSHIP WITH EMPLOYERS.** This is important particularly for those with low skills and/or limited English so they can gain marketable occupational skills as well as improve basic and language skills.

STATE AND LOCAL TANF POLICIES

Existing TANF law discourages states from investing in education and training. Nevertheless, because falling caseloads have helped states meet federal work rates, currently states still have considerable flexibility to allow education and training and to structure services in ways that make training effective for participants and responsive to employer needs. In addition, TANF allows states to provide such education and training not only to welfare recipients but also to low-income workers more generally. Steps that states and localities can take to ensure high-quality education and training include:

- ✧ **ESTABLISH CLEAR LINKS BETWEEN BASIC EDUCATION, ESL, AND JOB TRAINING.** It is important to encourage transitions from basic education, ESL, and GED programs to job training and other postsecondary education. States can stress these transitions through funding and performance measure mechanisms that reward programs for facilitating transitions and by funding the creation of "bridge" programs that quickly prepare adults to enter job training.
- ✧ **MAINTAIN CLOSE CONNECTIONS BETWEEN TRAINING AND EMPLOYMENT.** States should ensure that programs follow education and training immediately with strong job search and job development efforts and focus on job quality throughout education, training, and job search efforts.

- ✧ **PROVIDE INTENSIVE SERVICES AND CLOSELY MONITOR PROGRESS.** States and localities should fund programs to offer a substantial amount of instruction each week so that individuals can complete them in a reasonable amount of time if they attend regularly. They should also reward programs for monitoring progress closely to ensure that individuals are attending consistently and that those who are not are reassessed and possibly reassigned to a different activity.

- ✧ **ESTABLISH TRAINING OPTIONS FOR THOSE WITH LOW SKILLS.** States and localities should seek to expand the capacity of programs to provide occupational training to those with low basic skills and/or limited English who are unlikely to gain access to existing programs. In particular, more programs are needed that combine adult basic education and English language services with occupational training.

- ✧ **DEVELOP STRATEGIES TO MAKE IT EASIER FOR INDIVIDUALS TO COMBINE WORK AND SCHOOL.** These strategies—including revising federal and state financial aid policies where necessary—include making available to low-income adults a combination of supportive services, financial aid, career counseling, and work-study employment opportunities.

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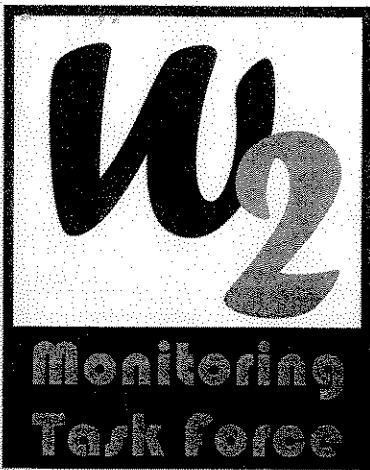
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Good morning Senator Roessler and Representative Jeskewitz and members of the committee. My name is Amy Stear. I am a member of the W-2 Monitoring Task Force of the Milwaukee County Board of Supervisors. We are a committee of citizens who were appointed to oversee the implementation and operation of the W-2 program in Milwaukee County. Our membership includes representatives of organizations that work with low-income families in Milwaukee County. Our experience shows us that a comprehensive audit of the W-2 program statewide is needed to determine if the W-2 program is meeting the objectives set by the Legislature when it enacted the program.

From our perspective, the W-2 program has fallen far short of the program goals. We are particularly concerned about the numbers of families with children in Milwaukee County who have no income and who are subsisting on Food Stamps and Medical Assistance. We collaborated with The Women and Poverty Public Education Initiative to prepare a report in October 2003 which identified 1800 families with children in Milwaukee County who had little or no income. Of the 1800 families identified, 78 responded to the survey. Many of these

W2 Monitoring Task Force

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families were homeless or living with other families, very stressful and temporary arrangements. The report showed that most of these families had a past connection to the W-2 program but were no longer participating in W-2. The women who answered the survey believed that, despite their low-income and dire circumstances, the W-2 program could not or would not help them. Many had used up their 24 months and were told never to return to W-2. Some had been sanctioned month-after-month and just left the program. Others were unable to work because of their own disability or the disability of a child. Some women explained that they had tried to return to W-2 agencies but were turned away as job ready even though they have no real prospects of finding employment.

An audit would answer these questions:

Is the 24-month time limit used by W-2 agencies as an absolute stopping point for receiving W-2 services?

Why do some participants get their time extended when others don't?

Are participants with disabilities or other barriers to employment offered appropriate services by W-2 agencies?

Is the Job Ready category used inappropriately and does its use vary from agency to agency?

Are the W-2 agencies effectively using job retention services to reduce the numbers of former participants who lose employment?

How has the decline in entry-level jobs affected the placement and retention rate of W-2 participants and how have the W-2 agencies adjusted their programs in response to this decline?

These are only some of the questions an Audit could determine. The scrutiny of an audit will either assure the public that W-2 is the welfare reform they were promised or give the Legislature the specific direction it needs to meet that promise.

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**IMPROVING TANF PROGRAM OUTCOMES FOR FAMILIES
WITH BARRIERS TO EMPLOYMENT**

by Heidi Goldberg¹

A significant number of current and former TANF recipients have various barriers to finding and maintaining employment. Among the most common barriers are physical and mental health problems, domestic violence, low skill levels, lack of adequate or affordable housing, and limited proficiency in English. Research has shown that recipients with work barriers are less likely to find jobs, have lower earnings on average, and are more likely to lose assistance because of a sanction for program noncompliance than families without barriers. Poor outcomes are especially likely for families that experience more than one barrier to employment. Welfare reauthorization offers an opportunity to improve services and outcomes for these disadvantaged families.

After summarizing research on the prevalence and effects of various barriers to employment, this paper discusses changes that could be made to TANF to improve program outcomes for families with work barriers.

The Extent and Effects of Barriers to Employment

A number of studies documenting the extent of various barriers to employment among current and former TANF recipients have been conducted since the passage of the 1996 welfare law. The precise estimates of the prevalence of a particular barrier, the population studied, and the way in which barriers are measured vary; however, when these studies are taken together, the following conclusions emerge:

- Physical and mental health conditions and low education levels are the most prevalent barriers documented among TANF recipients. Other common barriers include domestic violence and limited English proficiency.
- Recipients with such barriers are less likely to secure employment than other recipients.

¹ The analysis and recommendations presented in this paper were developed collaboratively with the Center for Law and Social Policy.

- A large number of families experience more than one barrier to employment. The likelihood of a recipient finding employment falls as the number of barriers she experiences increases.
- Recipients that lose cash assistance because they were sanctioned off the program for noncompliance with program requirements are more likely to experience barriers to employment than those who have left welfare for other reasons.

Research Findings on the Prevalence of Barriers

Various studies have measured the prevalence of an array of barriers. These studies find particularly high rates of barriers related to the health both of parents and children receiving TANF.

- **Physical and Mental Health Problems:** TANF recipients are more likely to suffer from physical or mental health problems that limit employability than the general population. The Manpower Demonstration Research Corporation (MDRC) found that nearly one-third of the non-working recipients studied reported having fair or poor health. (This study measured barriers among recipients in four urban areas.) Nationally, only eight percent of similarly aged women report having fair or poor health status. Similarly, while 44 percent of non-working TANF recipients reported having a physical condition that limited moderate activity – such as pushing a vacuum cleaner – less than 10 percent of similar women nationally reported having such limitations.² In a national study of TANF recipients, the General Accounting Office found that 44 percent of TANF recipients nationally had at least one physical or mental health impairment, three times higher than the rate of such impairments among adults not receiving TANF benefits.³ Findings

² Denise Polit, Andrew London, and John Martinez, *The Health of Poor Urban Women: Findings from the Project on Devolution and Urban Change*, Manpower Demonstration Research Corporation, May 2001, <http://www.mdrc.org/Reports2001/UC-HealthReport/UC-HealthRpt-FullRpt2001.pdf>. This research project studied a sample of low-income women in Los Angeles, Miami, Philadelphia, or Cuyahoga County in Ohio, which includes Cleveland. Some of these women received TANF cash assistance, many did not. The results presented in this paper refer to the women who were receiving TANF and who were not employed. The authors noted that health problems were likely to be underreported and underrated in the survey. Ethnographic interviews revealed serious health problems in some respondents that initially stated they were in good health in the survey. The researchers also noted that the survey data did not accurately reflect severity of problems the mothers and children faced.

³ U.S. General Accounting Office, *Welfare Reform: More Coordinated Federal Effort Could Help States and Localities Move TANF Recipients With Impairments Toward Employment*, October 2001. GAO reports can be found at www.gao.gov. GAO developed estimates of TANF recipients with impairments using data from the Census Bureau's Survey of Income and Program Participation (SIPP). Census classified SIPP respondents as having a disability or impairment if they met specific criteria on a nine-item scale, including having difficulty performing certain functional activities, difficulty with activities of daily living, having a mental or emotional impairment that interferes with daily activities, having a condition that limits ability to work, or having certain

from these two studies and one other national study that documents the prevalence of health problems among TANF recipients are summarized in Table 1.⁴

- ***Drug and Alcohol Problems:*** Accurate estimates of the number of welfare recipients that have alcohol or drug problems are difficult to obtain generally and vary considerably depending on the definitions used. In a survey of the existing research on the extent of these problems among welfare recipients, researchers at Mathematica Policy Research found that estimates of the welfare population nationally that abuse alcohol or other drugs range from 11 percent to 27 percent. More recent studies suggest similar results.⁵ Mathematica also concluded that approximately five percent of welfare recipients were “dependent” on alcohol or other drugs.
- ***Children’s Health:*** The MDRC study found that one-fourth of non-employed mothers receiving TANF had a child with an illness or disability that limited the mothers’ ability to work or attend school.⁶ Similarly, in a study conducted in an urban county in Michigan, 22 percent of respondents had a child with a health, learning, or emotional problem.⁷ A child with a health problem can inhibit a parent’s ability to work. Some children require frequent trips to medical professionals and it is often difficult to find appropriate child care for such children.
- ***Domestic Violence:*** Domestic violence can affect recipients’ physical health and safety as well as their mental health. A review of the research on the prevalence of domestic violence among low-income women generally also reviewed studies of welfare recipients. These studies showed that between 15 and 30 percent of

illnesses or conditions such as Alzheimer’s disease, mental retardation, or another developmental impairment.

⁴ For more information about the prevalence of disabilities in the TANF population, see Eileen Sweeney, *Recent Studies Indicate That Many Parents Who Are Current Or Former Welfare Recipients Have Disabilities And Other Medical Conditions*, Center on Budget and Policy Priorities, February 2000, <http://www.cbpp.org/2-29-00wel.pdf>.

⁵ See discussion in Gwen Rubinstein, *Making Welfare Reform Work Better: Improving TANF Program Results for Recipients with Alcohol and Drug Problems, Recommendations for TANF Reauthorization*, Legal Action Center, September 2001.

⁶ Polit, London, and Martinez, 2001.

⁷ Sandra Danziger, et al., *Barriers to the Employment of Welfare Recipients*, University of Michigan Poverty Research and Training Center, February 2000, <http://www.ssw.umich.edu/poverty/pubs.html>.

Table 1
Prevalence of Physical and Mental Impairments Among TANF Recipients:
Findings From National Studies

STUDY	DATA	MAJOR FINDINGS
U.S. General Accounting Office, 2001	National sample of TANF recipients from 2000 Survey of Income and Program Participation (data are for 1999)	<ul style="list-style-type: none"> • 44 percent of all recipients reported at least one physical or mental impairment • 38 percent reported a severe impairment • 29 percent reported at least one mental impairment
Urban Institute, 2001 ⁸	National sample of TANF recipients from the 1999 National Survey of America's Families	<ul style="list-style-type: none"> • 36 percent reported either very poor mental health or that health limits work • 17 percent reported that health limits work • 28 percent reported very poor mental health
Manpower Demonstration Research Corporation, 2001	Sample of TANF recipients from Los Angeles, Miami, Philadelphia, and Cuyahoga County, Ohio (Cleveland), interviewed between 1998 and 1999	<p>Among <i>non-employed</i> TANF recipients:</p> <ul style="list-style-type: none"> • 32 percent reported fair or poor health • 34 percent had a physical problem that limited work or type of work • 33 percent were at moderate or high risk for depression

welfare recipients have been recent victims of domestic violence. Between 50 and 65 percent of recipients were victims of domestic abuse at some point in their lives.⁹

In addition to health-related barriers to employment, low education levels, limited English proficiency and learning disabilities can all affect TANF recipients' labor market prospects. Recent research has documented the extent of many such barriers among TANF recipients.

- **Low education levels:** A report by the Urban Institute found that 44 percent of adults receiving TANF cash assistance in 1999 lacked a high school diploma or GED.¹⁰ Census data show that nationally, only 12.7 percent of women between the

⁸ Sheila Zedlewski and Donald Alderson, *Before and After Reform: How Have Families on Welfare Changed?*, Urban Institute, April 2001, http://newfederalism.urban.org/html/series_b/b32/b32.html.

⁹ Richard Tolman and Jody Raphael, *A Review of Research on Welfare and Domestic Violence*, Journal of Social Issues 655-681, 2000. Estimates of the prevalence of domestic violence experienced by welfare recipients vary depending on the measure used. Some studies measure only very severe abuse while others use a more broad definition of violence.

¹⁰ Zedlewski and Alderson, 2001.

ages of 18 and 54 lack a high school diploma or GED.¹¹ The lack of a high school diploma can make it difficult for individuals to find jobs either because a diploma itself is a job requirement or because individuals without the skills of a high school graduate cannot perform the duties associated with many jobs.

- **Limited English Proficiency:** Persons with limited proficiency in English constitute a significant share of the TANF caseload in some urban areas. For example, in Los Angeles County, 41 percent of the TANF caseload has limited proficiency in English.¹² While an accurate national estimate of the percentage of TANF recipients with limited proficiency in English is not available, approximately 17 percent of the national TANF caseload is foreign-born and it seems likely that a significant share of these families have limited proficiency in English.¹³ Individuals with limited proficiency in English often can have difficulty securing employment as many jobs require employees to communicate with customers, co-workers, or suppliers in English.
- **Learning Disabilities:** Studies in Kansas, Washington State and Utah suggest that between one-fifth and one-third of parents receiving TANF have learning disabilities — neurologically-based problems that make it difficult for individuals to process information. The problems may involve language, motor activity, reading, writing, math, organization, or other tasks that are important to functioning in a work setting.¹⁴

¹¹ 1998 Current Population Survey figures cited in Danziger, 2000.

¹² Karen Tumlin and Wendy Zimmerman, *What Does "Work-First" Mean for Immigrants?*, Urban Institute, paper presented at Association for Public Policy and Management Conference, November 2001.

¹³ Id. A survey of Mexican and Vietnamese noncitizens receiving TANF benefits in late 1998 in Santa Clara County, California, found that forty-eight percent of the Mexican participants and 87 percent of the Vietnamese participants had "poor to no" proficiency in English. Doris Ng, *From War on Poverty to War on Welfare: The Impact of Welfare Reform on the Lives of Immigrant Women*, Equal Rights Advocates, April 1999, available on the organization's World Wide Web site at <http://www.equalrights.org/welfare/iwwp/index.htm>.

¹⁴ See Martin Gerry, Candace Shively, "The Kansas Learning Disabilities Initiative," January 1999; "Learning Disabilities: A Report by the State of Washington Department of Social and Health Services, Economic Services Administration, WorkFirst Division," September 1998; Amanda Smith Barusch, Mary Jane Taylor, et al., "Understanding Families with Multiple Barriers to Self Sufficiency: Final Report," University of Utah Social Research Institute, February 1999, <http://www.socwkutah.edu/finalreport.htm>. See also Rebecca Brown, Evelyn Ganzglass, *Serving Welfare Recipients with Learning Disabilities in a Work First Environment*, National Governors Association, July 1998, <http://www.nga.org>.

Table 2
Prevalence of Work Barriers Among TANF Recipients
in an Urban Michigan County¹⁵

Type of Work Barrier	Prevalence (%)
Education, Work Experience, and Job Skills	
No high school diploma or GED	31.4
Low work experience (worked less than 20 of years since 18 th birthday)	21.4
Knows fewer than four job skills ¹⁶	21.1
Knows 5 or fewer work norms (measured by responses to questions about the appropriateness of certain workplace behaviors)	9.1
Discrimination	
Four or more instances of prior discrimination on the basis of race, gender, or welfare status	13.9
Transportation	
No car or drivers' license	47.1
Physical and Mental Health	
Major depressive disorder	25.4
Post Traumatic Stress Disorder	14.6
Generalized anxiety disorder	7.3
Alcohol dependence	2.7
Drug dependence	3.3
Mother's health problem	19.4
Child health, learning or emotional problem	22.1
Domestic Violence	
Severe abuse from a partner within the past year	14.9

¹⁵ Danziger, 2000.

¹⁶ The job skills measured included: working with a computer, writing letters or memos, watching gauges, talking with customers face to face, talking with customers on the phone, reading instructions, filling out forms, doing arithmetic, and working with electronic machines.

An intensive study conducted in an urban county in Michigan provides the most complete analysis of the range of work barriers among TANF recipients. This study measured the prevalence of barriers among a sample of women receiving welfare in February 1997. Its findings are summarized in Table 2.

Multiple Barriers to Employment

A number of studies have shown that many TANF recipients experience more than one barrier to employment. In an Urban Institute study of TANF recipients from across the country that measured a range of different work barriers — including six physical or mental health measures, two measures related to skill or work experience, and four other barriers related to transportation problems, language barriers, barriers associated with children's health and age. The study found that 44 percent of TANF recipients had two or more of these barriers.¹⁷ In the Michigan study, almost two-thirds of the women surveyed had two or more of the 14 barriers measured and more than four in ten had at least three.¹⁸ (See Table 2 for a list of the barriers studied.) Finally, the MDRC study found that many current and former recipients with health-related barriers to employment had additional non-health-related barriers, including limited education and work experience, limited proficiency in English, and having more than three children. When both health and non-health barriers were considered, more than 85 percent of non-working TANF recipients surveyed experienced at least *two* of the barriers, and 44 percent experienced at least *four* barriers.¹⁹

Work Barriers and Employment Outcomes

TANF recipients with barriers to employment have lower rates of employment than recipients without barriers. The Michigan study analyzed how work barriers limit employment. The study examined the relationships between certain barriers and the likelihood of employment among a group of women who received welfare in February of 1997. Some barriers had a particularly pronounced effect on employment. For example, only 39 percent of women without a high school degree were working at least 20 hours per week when interviewed in late-1997 compared to 66 percent of women with a high school degree. Similarly, among recipients who had poor physical health that limited their ability to perform moderate activities, only 39 percent were working when interviewed in late 1997. Among those without such physical health problems, 62 percent were employed. Other barriers that had a significant impact on employment

¹⁷ Sheila Zedlewski, *Work-Related Activities and Limitations of Current Welfare Recipients*, Urban Institute, 1999, <http://newfederalism.urban.org/html/discussion99-06.html>.

¹⁸ Danziger, 2000.

¹⁹ Polit, London, and Martinez, 2001.

were depression, low work experience, few job skills, perceived discrimination, transportation, and child health problems.²⁰

The study also found that the likelihood of employment decreases sharply and significantly as the number of barriers increases. Women with only one barrier were significantly less likely to work compared to women with no barriers (71 percent versus 82 percent). Women with two or three barriers had a 62 percent chance of working; women with three or more barriers had only a 40 percent chance of working.²¹

The Urban Institute study measured the likelihood that a recipient was working, in school, or looking for work. The study found that 86 percent of TANF recipients with no barriers were participating in a work activity compared to 60 percent of those with one barrier. In addition, recipients who experienced a barrier to employment were more likely to be engaged in a job search activity — rather than working or participating in education — than recipients without barriers. Since job search programs generally entail fewer services related to barriers than other work-related activities, this finding is troubling. Most recipients with multiple barriers were not participating in any a work activity. Some 57 percent of those with two barriers and 73 percent of those with three or more barriers reported that they were not currently participating in a work-related program.

While these studies demonstrate that barriers reduce the likelihood that a recipient will find employment, they also show that many recipients with barriers do work. It is likely, however, that more such recipients could secure employment if they received services designed to help them overcome their barriers and prepare for work. There is evidence that many recipients do not receive such services. A recent GAO study of TANF cash assistance programs in 600 counties examined the way in which these programs identified recipients who had various barriers to employment who might need specialized services. The study found that while most counties did some screening of recipients, many barriers that are more difficult to detect — such as mental illness or learning disabilities — were not identified. More than three-quarters of welfare offices in the study relied on recipients' self-disclosure of barriers instead of using screening and assessment tools. These tools generally are able to identify more people with certain barriers than a simple question which requires individuals to "self-identify" themselves as having a particular problem.

The GAO study also found that once barriers were identified, recipients often did not receive services designed to address those barriers and help them secure employment. Some 63 percent of the counties studied exempted TANF recipients with physical or mental impairments from participation requirements entirely. While exemptions are appropriate for some recipients

²⁰ Danziger, 2000.

²¹ The study used regression analysis to estimate the effects of different numbers of barriers on the likelihood of employment. The sample for the Michigan study consisted of women who were receiving welfare in February 1997 and were interviewed at the end of 1997.

Lack of Stable Housing Can Be a Barrier to Employment

While different in nature than a physical or mental impairment that impedes a recipient's ability to secure employment, unstable, inadequate, unsafe, or unaffordable housing also can make it difficult for a parent to retain employment. These housing conditions can lead to frequent moves which can disrupt job attendance and performance. In the national Post-Employment Services Demonstration, nearly one in five families reported housing problems as a barrier to keeping a job.^a A 1999 survey in New Jersey found that about one in five of the families that had ever worked cited housing problems as a barrier to work.^b

There are a number of ways to modify the TANF statute to make it easier to address the housing needs of families with children. First, states should have broader flexibility to use TANF funds to provide supplemental rental assistance to families not receiving TANF cash benefits. To this end, housing assistance for such families should be treated as work supports rather than welfare payments that trigger time limits and other requirements. States have found it cumbersome to use TANF funds for such initiatives. States also should have flexibility to use TANF funds for minor housing rehabilitation to ameliorate harmful housing conditions. MDRC's study of the health of current and former welfare recipients found that non-working TANF recipients were nearly 50 percent more likely than working former recipients to have two or more problems with their housing conditions. Research has shown that often poor housing conditions can cause or exacerbate health problems also experienced by recipients.^c While such use of TANF funds is permissible, it is not currently clear what types or cost of repairs are allowable. Finally, states should be encouraged to consider housing needs in TANF planning and implementation, and cooperation among welfare agencies and public housing agencies should be encouraged. Better cooperation between housing and TANF agencies could lead to an integration of the services provided by both agencies.

^a Anu Rangarajan, *Keeping Welfare Recipients Employed: A Guide for States Designing Job Retention Services*. Princeton, NJ: Mathematica Policy Research, Inc., 1998, <http://www.mathematica-mpr.com/PDFs/Pesdemp.pdf>.

^b Anu Rangarajan and Robert G. Wood, *Work First New Jersey Evaluation: How WFNJ Clients are Faring Under Welfare Reform: An Early Look*, Princeton, NJ: Mathematica Policy Research, Inc., 1999, <http://www.mathematica-mpr.com/PDFs/wfnj.pdf>.

^c Polit, London, and Martinez, 2001.

who are unable to work, the study noted that in counties where TANF recipients with barriers were exempted from work requirements, they were much less likely to receive any services to assist them to address these impairments and take steps toward employment.²²

²² GAO, 2001.

The Relationship Between Barriers and Sanctions

Research has demonstrated that a large proportion of families that are sanctioned for failing to comply with program activities experienced barriers to employment. In many states, families in which an adult does not comply with program requirements is terminated entirely from the cash assistance program.

- The MDRC study found that recipients with a larger number of health problems were more likely to be sanctioned than healthier recipients. One-third of the women with three or more barriers, compared with about one-fourth of those who had no barriers, reported having been sanctioned by the welfare agency. The health barriers most strongly associated with reports of being sanctioned were physical abuse, being at risk of depression and having a child with a health problem.²³
- A study conducted by the Minnesota Department of Human Services as part of a welfare reform demonstration project begun prior to the enactment of the 1996 welfare law found that sanctioned families were four times as likely as the caseload as a whole to have a substance abuse problem, three times as likely to have a family health problem, twice as likely to have a mental health problem, and twice as likely to have been a recent victim of domestic violence.²⁴
- A South Carolina study compared families that were sanctioned with families that left welfare due to earnings during the first six months of TANF implementation in the state. The study found that sanction rates were substantially higher among recipients with low education levels than among those with more education. Some 36 percent of recipients with nine to 11 years of education were sanctioned, compared with 24 percent of high school graduates and 18 percent recipients with education beyond high school.²⁵
- In a Utah study, 55 percent of sanctioned families cited transportation as a barrier to employment, and almost a quarter of respondents said lack of transportation was the primary reason they were unable to comply.²⁶

²³ Polit, London, and Martinez, 2001.

²⁴ Minnesota Department of Human Services, Internal Memorandum, 1996.

²⁵ Marilyn Edelhoeh, Qiduan Liu and Linda Martin, *The Post-welfare Progress of Sanctioned Clients*, South Carolina Department of Social Services, November 1999.

²⁶ Michelle K. Derr, *The Impact of Grant Sanctioning on Utah's TANF Families*, University of Utah, October 1998.

Is Today's TANF Caseload More Disadvantaged?

As cash assistance caseloads fell dramatically over the past five years, many policymakers and program administrators wanted to know whether the families now receiving cash assistance experience more barriers to employment than those who received welfare several years ago when caseloads were larger. Surprisingly, two studies have found that today's caseload is not significantly more disadvantaged than the welfare caseload of earlier years. A GAO study found that adults receiving cash assistance in 1999 were no more likely than their counterparts in 1994 to have physical or mental impairments. Similarly, the Urban Institute compared those who received cash assistance in 1997 with 1999 recipients and found that both groups had similar incidences of health problems and low education levels.

There are several possible explanations for these puzzling findings. First, many families with barriers to employment have lost assistance due to sanctions. Sanction policies became more stringent under TANF and the number of families affected by sanctions has increased over time. Had a large number of families with barriers not lost assistance due to sanctions, current caseloads might be larger and exhibit higher rates of barriers than is now the case.

New requirements imposed on individuals *applying* for cash assistance also may have kept some recipients with barriers off the rolls. Many states have increased the requirements an applicant must meet before a TANF cash assistance application is approved. For example, many states require applicants to participate in a job search program prior to approving a cash assistance application. If parents with barriers have difficulty meeting these requirements – or if the requirements discourage such a parent from applying at all – some disadvantaged families may not be coming onto the rolls.

It is also possible that these counter-intuitive results stem from the way in which “barriers” are measured. Some researchers have suggested that the survey instruments used by GAO and the Urban Institute understate the extent of barriers among TANF recipients. For example, the Urban Institute study relied on self-disclosure of health problems rather than a more sensitive survey instrument. It is possible that if more sensitive measurement tools had been used to determine prevalence rates of various barriers of both current and former recipients, differences between the two groups would emerge.

These findings suggest that work barriers can impede a recipient's ability to meet program requirements. This may be because the particular work activities that a recipient has been assigned to are inappropriate based on her individual circumstances or that appropriate supportive services to help the recipient overcome the barrier are not in place. Placement in an inappropriate activity could arise because the state failed to identify the recipient as having a barrier. A state also may not have appropriate activities available for individuals it does identify as having particular barriers.

Families with Barriers and TANF: Where Do We Go From Here?

As the preceding discussion shows, a significant number of current TANF recipients as well as those who have been sanctioned off the program have various barriers to finding and maintaining employment. Families with work barriers have lower employment levels and are more likely to be sanctioned for program noncompliance than families without work barriers. Welfare reauthorization offers an opportunity to improve services and outcomes for these disadvantaged recipients and their families.

Allowing States to Count Individuals Placed in "Barrier-Removal" Activities Toward the Federal Work Participation Rates

Under current law, adults must participate in a narrow set of work activities for a specified number of hours in order to count toward a state's work participation rate. In general, to be counted toward the work rates, adults must participate in job search programs, work in subsidized or unsubsidized jobs, participate in work experience or community service, or participate in vocational education (though the number of adults who can participate in education activities is subject to special limitations). The poor labor market outcomes of recipients with barriers documented by research in this area suggest that they may need to participate in activities designed to address their barriers, such as mental health counseling, substance abuse treatment, or English-as-a-Second Language classes, rather than exclusively participating in the limited set of countable work activities set out in current law. Without access to such activities, recipients may be forced into inappropriate activities that do not help them move toward employment and may result in a sanction if the recipient is unable to meet program expectations.

States should be given broad flexibility to place recipients in barrier-removal activities and federal law should allow states to count recipients participating in such activities toward federal work participation rates.

Some may argue that states do not need additional flexibility in this area because federal law does not prohibit them from engaging families in a broader array of activities. This objection stems from the fact that over the past five years, states have had little difficulty meeting federal work participation requirements due to provisions in the law that lower required work rates for each state based on past caseload decline.²⁷ While states have had flexibility to place recipients in an array of activities to address barriers without jeopardizing their ability to meet the federal work participation requirements, it is unclear whether this will be the case in the future. TANF reauthorization may alter the way in which work participation rates are set and states may no longer face very low "effective" work participation rates. If this occurs, broader flexibility will be

²⁷ Under current law, states are required to place a specified percentage of TANF assistance recipients into a set of specified work activities. This percentage, however, was reduced based on the extent to which assistance caseloads had declined since 1995. Because states experienced such large caseload declines, the actual work participation rates they were required to meet were quite low and in some cases were zero.

needed or states will be unable to place large numbers of recipients in barrier-removal activities and still meet the work participation requirements.

Even if the work participation rates states actually must meet are not increased substantially, language in the federal statute that makes clear that placing recipients in activities designed to address barriers to employment is consistent with TANF goals could encourage more states to engage recipients in such activities. The GAO study shows that, despite state flexibility in this area and low “effective” work participation rates over the past five years, many recipients who needed services to address barriers did not receive them. This may be due, in part, to the TANF law’s strong signals recipients should be engaged in a narrowly defined set of work activities.

Finally, some also may feel that this additional flexibility will dilute the welfare law’s strong focus on work. The experience of several states that had welfare waiver programs in place prior to the enactment of the 1996 welfare law suggests this is not the case. These states have been permitted to count recipients participating in barrier-removal activities toward the federal work participation rates. There is no evidence that the ability to count a broader range of activities diminished the overall emphasis on work in these states.

Developing Sanction Procedures that Address Barriers and Increase Compliance

As discussed earlier, barriers to employment are especially prevalent among families that have been sanctioned, suggesting that barriers may be impeding recipients’ ability to comply fully with program requirements. Under TANF, many states have adopted full-family sanctions that terminate assistance to the entire family when an adult recipient does not meet work requirements. Between 1997 and 1999, 540,000 families lost assistance because of full-family sanctions.²⁸ Many others had their benefits reduced because of partial sanctions.

To avoid inappropriately sanctioning vulnerable families, some states and counties have adopted *pre-sanction* review procedures that assess family circumstances, provide information about how to comply with program requirements to families, and offer, when needed, additional supports and services to families to facilitate compliance. These pre-sanction procedures have been found to reduce sanction rates and increase compliance with TANF work requirements. For example, in a pre-sanction review program in Tennessee, about one-third of the families that were slated to receive full-family sanctions in 1999 ultimately did not receive them as a result of this pre-sanction review process. In 70 percent of these cases, the parent came into compliance. In the

²⁸ Goldberg, 2000. This estimate reflects the cumulative number of families that have lost assistance during these two years. The estimate was derived from a GAO report stating that an average of 16,000 families per month lost cash assistance due to full-family sanctions in 1998. However, because full-family sanctions usually keep families off assistance beyond the initial month of closure, the total number of families without assistance due to sanctions at any given point is many times larger than the number of new case closures each month. Using GAO’s numbers along with state-level data, The Center on Budget and Policy Priorities estimated the number of families that lost assistance following a full-family sanction sometime between 1997 through 1999.

remaining 30 percent, the reviewers found errors in caseworkers' application of the sanction policies.²⁹

Similar procedures that meet the following criteria should be implemented in all state TANF programs:

- A comprehensive assessment should be conducted prior to a sanction being imposed to determine why the family did not meet program expectations, including whether the family has barriers that prevent full compliance.
- If barriers are found, states should determine whether a change in work activities is needed to ensure that the program expectations are appropriate based on the family's circumstances. The state also should ensure that the family has the services it needs to meet program expectations.

Some will object to imposing a requirement on states in this area. Substantial evidence demonstrates, however, that a properly designed pre-sanction review procedure will increase the number of recipients complying with program requirements, while ensuring that families have adequate notice of what is expected of them and the supports they need to comply. Moreover, the fact that some states have adopted effective pre-sanction procedures suggests that such procedures do not present significant administrative burdens. Finally, the very large number of families that have lost assistance due to sanctions coupled with the high prevalence of barriers among these sanctioned families indicate that this is an area in which the broad flexibility afforded states in the 1996 welfare law went too far. Based on this experience and the existence of successful program models that reduce sanction rates while increasing compliance with work requirements, additional protections for parents are warranted in this area.

To assist states in this area, HHS should be given resources to develop materials that both provide information on successful pre-sanction programs as well as model screening and assessment tools.

Finally, the goal of sanctions should be to encourage compliance with program rules so that families can ultimately move into employment. Currently, however, when a recipient comes into compliance with program rules, many states do not lift the sanction for several additional months. Some states impose minimum sanction durations that last as long as 12 months, or even 36 months in one state. Long sanction periods can provide a disincentive to an individual to comply since the family will not see its benefits restored despite compliance and can leave poor families in which a parent is willing to comply with program rules without basic assistance. Often sanction notices are not clear and a parent may not know when the sanction period is over and

²⁹ For more information on the effectiveness of these procedures, see Heidi Goldberg, *A Compliance-Oriented Approach to Sanctions In State and County TANF Programs*, Center on Budget and Policy Priorities, October 2000, <http://www.cbpp.org/10-1-00TANFcover.htm>.

State Experience Has Demonstrated the Importance of Pre-Sanction Review Procedures

Among the states that have implemented pre-sanction procedures, the procedures adopted in Maine and Tennessee are especially notable. The experiences in these states illustrate how such procedures can increase positive outcomes for families at risk of a sanction.

In both Tennessee and Maine, the state reviews the family's circumstances prior to imposing a sanction to determine if the family had a "good cause" reason for not complying. All families are given a second opportunity to come into compliance and if the family does comply, no sanction is imposed. Such procedures help ensure that families understand what is required of them. This is particularly important because confusing notices — particularly for individuals with limited literacy skills — often can leave families unsure of how to come into compliance. In Tennessee, about one-third of the families that were slated to receive full-family sanctions in 1999 ultimately were not sanctioned as a result of this pre-sanction review process. In 70 percent of these cases, the parent came into compliance. In the remaining 30 percent, the reviewers found errors in caseworkers' application of the sanction policies.

The Tennessee process also allowed families with barriers to employment to enter the Family Services Counseling program. In this program, families work closely with a social worker who conducts a thorough assessment and provides services to address barriers that are identified in the assessment. The counselor can revise the individual's work plan to include various barrier-removal activities (such as mental health counseling) or, when necessary, can temporarily suspend work requirements or time limits.

how to regain assistance because contact with the welfare office can be lost during that time. Restoring benefits upon compliance, by contrast, sends the message that compliance is the ultimate goal, helps the family move toward employment sooner, and alleviates family hardships that result when a family in which a parent is willing to comply with program rules is sanctioned. Federal law should prohibit states from continuing a family's full-family sanction after the adult comes into compliance and remains in compliance for a reasonable period of time.

Improving Service Delivery for Families with Barriers

In discussions about improving policies for individuals with barriers, program design and implementation changes often are identified as key to improving outcomes for families with barriers. States have a very difficult task at hand to meet the needs of families with barriers to employment. While some states and counties have taken steps to meet this challenge, research has identified numerous problems in the implementation of services for families with barriers in states and counties across the country. As discussed earlier, the GAO study found that screening for barriers to employment was inadequate in most counties. Half of the counties surveyed did not know how many recipients they served had physical or mental impairments. The report also

showed that even when screening was performed, families often did not receive the services needed to address the barriers that had been identified.

Reauthorization legislation could assist states to meet the challenges of serving families with barriers by providing them with funding to create a panel to review state TANF-funded programs. The panel would study how well these programs meet the needs of families with various barriers to employment and identify areas that need improvement. The panel should consist of state representatives, experts in service provision to various groups of individuals (such as those with physical or mental impairments or those with substance abuse problems), advocates who represent or work with low-income families, and recipients themselves. For example, a barrier review panel may examine the work activities in which recipients participate to determine whether the activities are appropriate for recipients with different characteristics. The panel could research best practices in this area from around the country and make recommendations about how employment services could be more responsive to the needs of, for example, parents with a learning disability.

Time Limits: Flexibility to Grant Extensions

States should be given broader flexibility to continue providing assistance to families that reach the federally mandated 60-month time limit. Federal law does not include the kinds of exemption and extension criteria that many states with time limits have already adopted. For example, in some states with time limits of shorter than five years, families in which a parent has a disability or is caring for a disabled child are not subject to time limits. Current federal law simply allows states to provide extensions to a certain *number* of recipients such that no more than 20 percent of the caseload can consist of families that have exhausted their 60 months of time-limited benefits. In the short run, the 20 percent limitation may pose few problems. Over the longer-term, however, as more families exhaust their time-limited benefits, states may need greater flexibility to provide extended assistance to those families the state believes require such aid.

Given states' demonstrated commitment to reducing caseloads and limiting the amount of time families receive assistance, the current 20 percent limitation on hardship extensions is unnecessary. It seems unlikely that granting broader state flexibility in this area would result in states reducing their efforts to move families from welfare to work; it would allow, however, states to adopt simpler extension rules without having to worry about exceeding an arbitrary limit.

While states can use state maintenance-of-effort (MOE) funds to provide benefits to families that exhaust their 60 months of federally-funded benefits, this does not provide sufficient flexibility for states.³⁰ Policymakers often are hesitant to use MOE in ways which may appear

³⁰ States are required to spend a certain level of state resources on TANF-related programs. These funds are called "maintenance-of-effort" funds. The current TANF law provides that families receiving assistance funded entirely with MOE funds are not subject to the federal 60-month time limit.

contrary to the broad direction of federal law, even when such spending is wholly legal. Under the current structures, many view using MOE funds in this way as contrary to the intent of the 1996 welfare law. Some states also are hesitant to use MOE funds in this manner because of the administrative complexity involved with ensuring that certain families receive MOE-funded benefits while other families receive TANF-funded benefits. Finally, MOE funds constitute a limited percentage of available TANF funding in some states. In 12 states, MOE funds comprise less than 30 percent of total TANF funding. These states should have the same ability to provide extensions when necessary as other states with more substantial MOE funds.

Funding Innovative Strategies to Improve Employment Outcomes For Recipients with Barriers

Reauthorization legislation also should include funds for demonstration projects that test new approaches to improving the employment outcomes of families with various barriers to employment. In the past, demonstration projects have provided important information to all states about how to structure effective employment programs, but little work has been done to test approaches designed to help families with particular barriers. For example, demonstration projects could test various approaches to helping recipients with very low skill levels, certain mental health problems, or housing barriers find and retain employment.

Federal funding also should be provided to expand transitional jobs programs, which already have shown considerable promise as a strategy for the most disadvantaged TANF recipients. These programs provide short-term, wage-paying subsidized jobs for parents who have not obtained or maintained employment in more traditional welfare-to-work programs. A survey of 30 transitional jobs programs across the country found that 50 to 75 percent of participants are placed in unsubsidized jobs within six to nine months of enrollment.³¹ Research on the employment services provided to recipients in Washington State measured the effects various types of work activities on recipients' employment and earnings. The researchers found that the transitional jobs program increased employment rates of recipients by 33 percent and increased earnings by almost \$800 per quarter as compared to the employment rates and earnings that would have been expected had they not participated in any program. The study also found that the transitional jobs program had larger effects on employment rates and earnings levels than most other work activities.³² Federal funding both would encourage additional states to implement transitional jobs programs and would help sustain current programs, many of which had relied previously on funding from the expired Welfare-to-Work grants.

³¹ Unpublished survey conducted by the Center on Law and Social Policy, 2001.

³² Marieka Klawitter and Daniel Evans, *Effects of WorkFirst Activities on Employment and Earnings*, Daniel J. Evans School of Public Affairs, University of Washington, September 2001.

Conclusion

Research has demonstrated the high prevalence of various barriers to employment among TANF recipients and the effect these barriers have on recipients' ability to attain stable employment. TANF reauthorization legislation should build on the experience of the past five years to ensure that in the coming years, families with barriers get the help they need to secure employment.

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February 10, 2004

Carol A. Roessler
Suzanne Jeskewitz, Co-Chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, WI 53707

Dear Senator Roessler & Representative Jeskewitz:

The W-2 program is almost seven years old. The last audit was completed three years ago, in March 2001. The program is now faced with growing caseloads, hundreds of families returning to the program for assistance and concerns about mis-use of W-2 funds. It is clearly time to conduct another comprehensive audit of the program.

The findings of the 2001 audit include: only 33.8% of the participants who left the program in 1998 and filed tax returns had earnings above the poverty level, 2,129 participants left the program during a three month period in 1999 and 26.1% of them returned later for assistance, sanction use varied widely in number and amount among the agencies, in some cases sanctions were applied inappropriately, and the mix of services provided by W-2 agencies varied greatly with relatively few participants receiving mental health and substance abuse treatment.

The audit bureau identified the following considerations affecting the future of the program: whether the challenges faced by participants with multiple or severe barriers to employment are being adequately addressed, how best to address the needs of participants who are nearing their time limits, how best to assist individuals who have entered the workforce but remain in poverty in becoming fully self-sufficient and whether to consolidate DWD's contracts to administer the program in Milwaukee County.



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Some recent case examples illustrate the need for another more comprehensive audit:

Simone has been off and on W-2 since the program's inception. She has three children, one of whom is severely disabled. He is confined to a wheelchair, fed through a G-tube, cognitively disabled and has behavioral problems. Simone has tried over the years to find stable child care for her son without success. She needs to be at home when the school bus drops him off at the end of the day, when he has days off from school and when he is ill. Simone has lost a number of jobs because of her need to care for her son. Several years ago she requested help from the W-2 agency to secure training as a school aide to work with children like her son. This would enable her to work and be available for her son. The agency indicated they had no such training available. They have not offered Simone any other training that would help her secure employment that is compatible with her son's needs and they have not assisted her in her search for child care. They have assigned her to work in a factory packing boxes during the time her son is in school and extended her time on W-2.

Nicole came to W-2 recently after exhausting her unemployment compensation benefits. She has work experience in the clerical field and has continued to look for work without success. Her job search is limited because she does not have a car. Nicole suffers from a lung disease and severe asthma which makes it impossible for her to work in dusty and/or dirty environments or around chemicals. She also tires easily and cannot stand for long periods of time. Despite the fact that she alerted the agency to her condition, she was assigned to factory work exposing her to chemicals, dust and dirt and requiring her to be on her feet four hours each day. Nicole was repeatedly sanctioned for not completing this assignment.

Maria has been on public assistance for much of her adult life. At the start of the W-2 program testing revealed that her reading, math and writing skills were at the first and second grade levels. Her W-2 assignment was basic adult education and factory work. Her class teacher noticed that Maria had difficulty following and comprehending instructions and often did not recall what she had learned the previous

day. She repeatedly asked Maria's W-2 case manager to have Maria tested for cognitive and/or learning problems. Finally, after an advocate made the request on Maria's behalf, a psychological evaluation was conducted which showed that Maria was so limited she qualified for SSI. By that time Maria had been on W-2 for almost four years and had been subject to intermittent sanctions.

Penny is 20 years old, she does not have a high school diploma and has limited work experience in fast food restaurants. When Penny exhausted her 24 months in a CSJ placement she was found to be ready for employment and not given an extension of time. After leaving W-2, Penny worked off and on through temporary agencies but was not able to secure full time regular employment. She returned to the W-2 agency but was told she was not eligible for assistance because she is job ready. After losing her home, Penny was placed in a W-2 subsidized position because she is homeless.

These and other cases like these demonstrate that we need an audit to determine:

- who is using the W-2 program, their characteristics and needs,
- who is returning to the program and why,
- whether the W-2 agencies are properly identifying the needs and limitations, as well as the abilities, of W-2 participants,
- whether appropriate individualized services in the form of counseling, substance abuse treatment and targeted education and training are being provided,
- whether sanctions are being applied fairly and uniformly,
- whether the extension policy is clear and uniformly applied,
- what is happening to those participants who reach their time limits,

- what types of jobs W-2 participants are securing and what their average earnings are,
- what services are available and provided to those who secure employment to help them stay employed and move beyond the low wage job market,
- what kinds of job development efforts have the W-2 agencies engaged in and at what level of success,
- how have DWD and the W-2 agencies responded to the recession,
- what happens to families without employment or income who are diverted from the program as job ready or reach their time limits and not given an extension,
- how program monies are being spent, and
- how successful program oversight is at insuring that W-2 funds are properly spent and participants properly served.

We have spent, and continue to spend, enormous resources on the W-2 program. The 2001 audit indicated that program costs totaled 710.4 million through September 2000. Yet we know very little about who is using the program and whether the money is being used effectively. We need to determine if participants are simply using their time on W-2 and leaving no better off at the end of 24 or 60 months than when they started, or whether they are overcoming barriers and developing skills that will help them secure and maintain employment. We need to determine how to better channel the limited resources we have so families are successful and not stuck in the never ending cycle of public assistance and low-wage jobs.

I have enclosed two recent publications. The first is entitled "Improving TANF Program Outcomes for Families with Barriers to Employment", by the Center on Budget and Policy Priorities, and the second "Built to Last- Why Skills Matter for Long-Run Success in Welfare Reform", by the Center for Law and Social Policy. Both are excellent papers which I urge you to review.

In closing I urge this committee to request a comprehensive audit of the W-2 program so we can determine how to better serve families in need and insure that state monies are being used effectively and wisely. Your consideration of these comments is appreciated.

Very truly yours,



Patricia DeLessio
Attorney at Law

PDL:eca

cc: Senator Robert Cowles
Senator Alberta Darling
Senator Jeffrey Plale
Senator Julie Lassa
Representative David Cullen
Representative Samantha Kerkman
Representative Dean Kaufert
Representative Mark Pocan



9to5, National Association of Working Women

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Testimony of Mildred Navedo Organizer with 9to5, National Association of Working Women And the Poverty Network Initiative

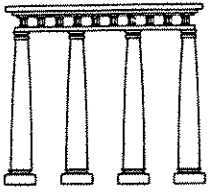
My name is Mildred Navedo and I am a community organizer. I work with the Poverty Network Initiative which is a Milwaukee chapter of 9to5, National Association of Working Women. I work primarily with women and children who are or have been participants in the W-2 program. Our families live in or near poverty and their daily existence is at best unstable and at worst intolerable. Most of the mothers have had an on-again-off-again relationship with welfare. Their history has been to cycle in and out of low wage work, stopping into the welfare system in between jobs. Many are unskilled and lack any kind of stability in their lives. Cars and checking accounts are luxuries out of their reach; they don't have a network of friends and relatives to help them out if their childcare falls through when they need go to work. Contrary to what some may believe, these women want to work, they want to support their children but they can't find jobs that let them do that.

W-2 was supposed to change that. W-2 as a work program was set up to move women into the work force and out of the cycle of poverty and despair. Yet today many poor women are turned away from W-2 because they are deemed "job ready" by the agencies. This happens in spite of the fact these women can't find work or they aren't qualified for the few jobs that are available. Many of these same women have been in W-2 in the past but weren't properly assessed for barriers. Many spent time in work activities that didn't promote their ability to find work when they left the program. Some of these women are unable to work but have never received assistance to get on SSI or DVR. Additionally, there are countless examples of women who suffered unjust sanctions and finally left the program demoralized and hopeless. The truth of the matter is W-2 has failed thousands of poor women and children in Milwaukee and the end result of that has been a documented increase in poverty, hunger and homelessness.

We believe the Wisconsin Legislature had a different vision for W-2 when the program was enacted. We commend Legislators for calling for an audit of the current W-2 program. We urge you now to ensure this audit addresses a broad spectrum of issues including performance standards, screening and assessment practices, use of sanctions, diversion through the job ready tier, extension requests and training opportunities.

We are looking to you to make certain this audit will provide answers that will help improve service delivery, agency accountability and outcomes for poor families in Wisconsin.

Thank you.



Economic Justice Institute, Inc.

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February 11, 2004

Senator Carol Roessler, Co-chair
Joint Legislative Audit Committee
P.O. Box 7882, State Capitol
Madison, WI 53707-7882

And

Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee
P.O. Box 8952, State Capitol
Madison, WI 53708-8952

Re: Proposed Audit of the Wisconsin Works (W-2) Program

Dear Senator Roessler and Representative Jeskewitz:

Thank you for the opportunity to speak today. My name is Victoria Selkove and I am Staff Attorney for the Economic Justice Institute, Inc. I provide free legal services to low-income Dane County residents, in the areas of employment and public benefits. Previously, I worked as a W-2 researcher and policy advocate in Milwaukee. I wish I could say that the problems identified early on in W-2's implementation and highlighted by the 2001 W-2 Audit Bureau report have been resolved. I also wish I could tell you that the problems plaguing the W-2 program are limited to administrative problems in the Milwaukee regions. Unfortunately, the systematic problems which cause W-2 to fall far short of its potential for helping Wisconsin's most vulnerable families persist even in 2004 and these problems are by no means limited to Milwaukee County.

As an attorney representing Dane County residents with public benefit issues, I see daily the struggle they undertake not only to make ends meet and keep their families afloat in precarious economic circumstances, but to understand and navigate the W-2 system. The overwhelming majority of my caseload is clients who have had their Food Stamps sanctioned, have been denied W-2 or Emergency Assistance, or who have questions or problems about these or other public benefits. I wish to focus my testimony today on three key areas where I believe a broad audit of the W-2 program is vital.

I. Types And Amounts Of Programs/Services Received By W-2 Participants

The state statutes, administrative rules and policy guidelines governing W-2 envision a full array of supportive services to help participants overcome barriers to work and increase their chances of achieving economic self-sufficiency. The reality, however, falls quite short of this. All too often, the barriers participants face are not properly assessed. Once they are assigned to a tier, appropriate services and referrals are not provided. For example, I have encountered numerous W-2 participants whose Community Service Job (CSJ) placements consist solely of searching for jobs on a computer at the local job center – for close to thirty hours per week they sit at a screen reviewing job listings. Even a lay person's review of their barriers to work would figure out immediately that these participants are not good candidates for the jobs listed. Many of these participants will tell you that they are "waiting" for a CSJ placement, but they have been waiting for weeks. Many reveal mental illnesses, serious health problems, the need to complete a GED, domestic violence or other barriers to work for which they receive few to no support services, referrals or assistance through W-2.

While there are certainly cases where participants, particularly those in the W-2 Transitions category, are properly assessed and receive a variety of needed services, in my experience these instances are rare. Any audit mandated by the legislature should evaluate whether participants are in fact assessed and linked to necessary services such as counseling, treatment, educational opportunities, or job skill training. The types and amounts of program services provided must also be evaluated in light of the fact that those remaining on W-2 have substantial barriers to employment. Without such data, Wisconsin cannot claim that its W-2 program is a success on any meaningful measure.

II. Designation of "Job Ready"

The implementation of W-2 has included several components not part of the original W-2 statute or intent. The statutory language¹ expresses the legislative intent to provide W-2 services to families without incomes. Yet applicants are routinely turned away at the door, face excessive barriers to applying for W-2, and, perhaps most troubling, are designated as "job ready" without any explanation of the criteria for that designation or ability to challenge it.

Individuals are denied W-2 because they are "job ready" even when no member of the family is currently working and the family is in extreme financial crisis. The "job ready" designation, despite its lack of statutory authority, is commonly used and is a source of great confusion and frustration for low-income families. I have seen numerous instances of individuals who, currently without income, often suffering from mental illness or physical health problems, often without a high school education, are told that they are "job ready," simply because they were offered or briefly held a low-wage job at some point in recent months. A recent client, a single father with a two-year old son, was told that he was "job ready," despite his lack of a high school education, lack of reliable transportation, lack of childcare and little work experience. An audit is necessary to determine how many families have been deemed "job ready," whether in

¹Wis. Stats. Sections 49.147, 49.143(2), and 49.173

fact those families were able to obtain and maintain employment after leaving the W-2 agency, and the criteria by which agencies and counties are basing "job ready" determinations.


III. DIVERSION AND "LIGHT TOUCH"

Further evidence of W-2 agency and county's failures to serve includes the continued practice of diversion and "light touch." Policies which turn applicants away at W-2 agency doors remain prevalent. Clients routinely tell me that they attempted to apply for W-2 and were given a variety of reasons for not having an application processed. Some clients are told by the eligibility worker, 'I can tell you won't be eligible for W-2, so why bother applying?' Others are told, 'You're clearly job ready, why don't you look for work for a few more weeks and then come back and apply then if you need to?' A current client who had been receiving Food Stamps and Medicaid for more than a year and whose family was living on the low and sporadic earnings of his wife was never told by his eligibility worker that he should apply for W-2 assistance for his family. Instead, upon asking for a W-2 application, he was told, 'Only people who are physically handicapped get W-2; you're not disabled so don't waste your time applying.'

While Dane County Human Services administrators are highly responsive to problems involving particular caseworkers or to individual cases that we bring forward for resolution, the pattern and deep-seated policies of insisting that people look elsewhere – everywhere else – for help before turning to W-2 is pervasive. Families without income, without job prospects or the education, skills, transportation, childcare and personal well-being to maintain work, should not be denied W-2 services. These are precisely the families W-2 intended to assist and a full-scale audit should be conducted to determine how well these families are in fact being assisted.

The Economic Justice Institute, Inc. wishes to express its support for Senator Darling's request for an audit of the W-2 program. It has been nearly three years since the last comprehensive audit and it is clearly time for another examination at how the program is working. We would suggest that requesting the Audit Bureau to address the above issues, in addition to those requested by Senator Darling, will help to answer the important questions raised by the Audit Bureau in their earlier report and will serve to improve the W-2 program's ability to meet the needs of our state's most vulnerable families. Please do not hesitate to contact me at (608) 260-8299 or vsselkove@wisc.edu if I might answer questions or provide you with additional information. Thank you.

Respectfully submitted,


Victoria Selkove
Staff Attorney
Neighborhood Law Project
Economic Justice Institute, Inc.



INSTITUTE FOR WISCONSIN'S FUTURE

policy research in the public interest

Testimony before the Joint Legislative Audit Committee

February 11, 2004

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Good morning and thank you for the opportunity to speak today. My name is Kathleen Mulligan-Hansel. I am the director of the Working Families Project at Institute for Wisconsin's Future, a non-profit research and community education center headquartered in Milwaukee. IWF has been working on state policy issues for almost a decade, and has tracked progress and problems with W-2 since the concept was first considered by the legislature in the early 1990s.

I urge this committee to authorize a broad, performance-based audit of the W-2 program. The statute that created W-2 requires quarterly reports on progress within the program, yet since W-2 was introduced there have been only a handful of reports released by either DWD or the Legislative Audit Bureau. While information on many other operations of state government is readily available, data on the implementation of W-2 and the progress of W-2 participants has always been very restricted. The first comprehensive audit, released in 2001, provided a wealth of information that provided many new insights into the program. I ask that you authorize an audit that is similar in scope.

Furthermore, the 2001 Audit concluded with several strong recommendations for modifying the program to improve service provision, provide W-2 participants with better connections to meaningful work, and ensure the well-being of families. Few of those recommendations have been implemented. I urge you to use the 2004 Audit to revisit those recommendations, and to follow-through with much-needed program changes.

I want to highlight briefly three dimensions of the W-2 program that warrant greater scrutiny by the legislature.

First, W-2 is failing to make good on the promise of moving families to self-sufficiency through work. Research on W-2 from initial implementation up to the present shows this to be a consistent problem. Median earnings of families leaving W-2 are very low. The 2001 comprehensive audit found median earnings of about \$12,000. This figure included the state and federal tax credits that low-wage workers are eligible for, even though the audit bureau could not verify that families actually received those credits. More recent research on W-2 in Milwaukee conducted by the prestigious Chapin Hall in Chicago found median annual earnings of \$4131. \$4131 is \$10,000 below the federally-designated poverty line for a family of three.

Many proponents of the program have claimed that this is just the first step on the ladder to self-sufficiency and that workers will earn more as they advance through the labor market. In fact, no research suggests that this move up the ladder is actually happening. Rather, W-2 participants tend to find jobs in work that is unstable, temporary, part-time and contingent. They leave the W-2 program for jobs that last only a few months, or for work that is theoretically full-time but in fact never provides 40 hours of work a week. In recent years, the recession has made it more difficult for W-2 participants to find permanent, stable employment. Yet no modifications were made to ensure that the program operated effectively to serve families in times of economic downturn.

Among the recommendations issued by the audit bureau in 2001 was a directive that the Department of Workforce Development and the Legislature should have a plan for improving the earnings of families that left W-2 for work but remained in poverty. The state has made NO progress toward implementing this recommendation. In fact, earnings outcomes have declined since 2001 and few efforts have been initiated to improve the opportunities available to low-income W-2 leavers.

Second, the policies and rules that were created when W-2 was first implemented left gaps in the program. These gaps have resulted in many families failing to get served, even if they are in crisis. A careful reading of the statute suggests that these gaps were not a part of the legislative intent.

The use of "job ready" provides a very clear example. Every parent that applies for W-2 is assigned to a tier, as you know. W-2 case managers have the authority to classify someone as "job ready." If a parent is found job ready that means their family is not eligible for any cash assistance. Job ready is a highly discretionary category. It is not in the statute and there are no consistent criteria for what characteristics are sufficient to place someone in this category. Moreover, a family with no income can be placed in job ready **even if there are no jobs available**. As a result, this category is largely used as a budget-management tool. When funds are scarce, agencies are more aggressive about placing individuals in job ready. The result is that vulnerable families are being pushed into deeper crises.

Finally, I want to comment on a related problem: the two year time limits. When the first audit was conducted, W-2 participants were just starting to reach the time limits that limit participation in any one tier to two years. The 2001 audit could not comment extensively on how this aspect of the program was working out, but it did direct DWD to develop a plan for how to deal with participants who were leaving the program because of time limits but lacked access to other sources of income. The audit also requested DWD provide additional information on how the extension policy was being used to ameliorate the hardships faced by families that were hitting the time limits. Yet there has been only

minimal progress toward devising such a plan. Extensions continue to be issued only in very rare cases, and there is no consistent, systematic effort to ensure that families hitting time limits have some other source of support.

IWF believes the state can do much better in helping families develop meaningful connections to work and in protecting families that are in crisis until they are able to work again. I urge you to use this audit to assess whether W-2 has delivered on these promises, and to identify areas in which the state can do a better job of serving low-income parents and their children.



JOINT LEGISLATIVE AUDIT COMMITTEE

Hearing on Proposed Audit on Wisconsin Works (W-2) Program
February 11, 2004

Testimony by
Carol W. Medaris
Senior Staff Attorney

The Council wishes to support Senator Darling's request for an audit of W-2. We agree that since it has been nearly three years since the last comprehensive audit it is time for another look at how the program is working.

Senator Darling requests that the audit focus on a number of very important issues. In addition, we believe the audit should address the following issues:

1. **The program's success in achieving economic self-sufficiency for participants.** In the April, 2001 study the Audit Bureau looked at those who left the program soon after it was implemented, examining among other things their **employment rates, income levels, and rates and characteristics of those who return to the program.** It found the success of these early leavers was mixed. Similar results were obtained in a recent report of applicants for W-2 in Milwaukee County by the Chapin Hall Center for Children at the University of Chicago. Policy makers need to know how more recent leavers are doing – in Milwaukee and statewide – now that the program has been operating for six years, in order to inform future policy decisions.
2. **Participant characteristics now as compared to early in the program.** The 2001 Audit presented a profile of W-2 participants as of July, one and one-half years after the program began. (See Table 1, at page 15.) There seems to be a general belief that a higher percentage of those left on the caseload have substantial barriers to employment. In order to determine whether new approaches to assist participants are needed, it is important to determine how much participant characteristics have changed.
3. **Types and amounts of program services received by W-2 participants.** The Audit showed that few participants received specialized assessments and counseling services for a variety of personal barriers to employment, and there was great difference among agencies. Now that the Department

requires that all agencies use a standard Barrier Screening Tool, with follow-up, formal assessments where necessary, more participants should receive assessments. It is important to determine whether more services are also being provided, especially given reports of high numbers of participants with substantial barriers to employment. Additionally, auditors commented on the very few participants receiving technical college or other post-secondary education, and this issue should be looked at, as well.

4. **The number of participants determined “job ready,” what their characteristics are (e.g. employment history, educational level, and family health), and what happens to them.** In this placement, applicants without employment are denied cash assistance and told that they must look for work. Their cases may be reviewed after 30 days for possible placement in a W-2 work program, but it is unclear whether most applicants know about this or what happens if they do return. Statutory authority for this placement has never been clear, and the use of the “job ready” category has been a highly controversial since the program began.
5. **Sanction policies, including percentages of participants sanctioned, reductions in benefits due to sanctions, any disparate treatment of minority populations or those with disabilities, prevalence of improper sanctions, and variances in application of sanctions among agencies.** The 2001 Audit showed a high degree of variance between agencies in both the percentage of participants sanctioned and average amounts of monthly benefit reductions. Several agencies averaged between 1/3 and 1/2 of their participants in sanction status monthly, and benefit amounts were often reduced below 50% of the full amount. More recently, the Audit Bureau found some evidence of racial disparities in the application of sanctions. Others have claimed a disproportionate number of sanctions for people with disabilities, which would be consistent with national studies. An examination of sanction policy is essential to determine how well W-2 is succeeding in its purpose -- to provide basic support for all low-income families who qualify on an equitable basis, while they work their way toward self-sufficiency.
6. **Resolution of participant complaints.** The 2001 Audit reported on the number of requests for review at both the local agency fact-finding level and the state Division of Hearings and Appeal (DHA). It summarized the reasons for the requests for review, dispositions at the fact-finding level, the percentage of fact-finding decisions that were appealed and the high percentage of decisions that were reversed upon appeal to the DHA. As was the case with sanctions, there was great variety between W-2 agencies; in Milwaukee, in particular, fact-finding decisions are incorrectly favoring the W-2 agencies more than in other areas of the state. There has always been substantial support for exchanging the formal, fact-

finding step for an informal local review process and placing the formal hearing with DHA, as is done with food stamps and medical assistance. The Department of Workforce Development supported this change in its November 2002 Biennial Budget Request, and Milwaukee County W-2 agencies are on record as supporting this, as well. But aside from examining complaint procedures with an eye toward reform, as is true with sanction policy the adequacy and fairness of the complaint review process is critical to the program's mission.

7. **How time limits are affecting program services to families.** At the time of the 2001 Audit, little information was available on the effect of time limits on participants' ability to become self-sufficient. None had reached the federal five-year limit and only 1,551 had reached the 24-month limit in a subsidized employment position. More information about the number of and reasons for extensions, as well as the characteristics of those whose cases close should be available by now, as well as statistics to indicate how much agencies vary in their treatment of participants reaching time limits.
8. **The well-being of children and families who have left the program.** Many now agree that the success of a welfare program is measured less by the number that leave the program than by how families fare after they leave. In that context, it is important to measure not only a families' employment and income characteristics, but other measures of economic hardship and parent and child well-being. The Chapin Hall study, referred to earlier, measured a number of these characteristics of families who had applied for W-2 in Milwaukee County. Similar questions should be asked of families who experienced the W-2 program in other parts of the state, as well as those who have been off the program for a longer period of time.

The authors of the 2001 Audit suggested some issues that the legislature and DWD might wish to consider, following the results of its evaluation, including,

- Whether the challenges posed by the participants with multiple or severe barriers to employment are being adequately addressed;
- How best to address the needs of participants who are nearing the time limits established for receipt of services;
- How best to assist individuals who have entered the workforce but remain in poverty in becoming fully self-sufficient.

We would suggest that requesting the Audit Bureau to address the eight issues we set forth above, in addition to those requested by Senator Darling, will help to answer the important questions posed by the Audit Bureau in their earlier report.