**JOHN E. BARGMAN**
BUREAU CHIEF
DIVISION OF JOB TRAINING

**IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT**
200 EAST GRAND AVENUE
DES MOINES, IOWA 50309
515/242-4777
FAX: 515/242-4749

**JEFF NALL**
ADMINISTRATOR
DIVISION OF JOB TRAINING

**IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT**
200 EAST GRAND AVENUE
DES MOINES, IOWA 50309
515/242-4779
FAX: 515/242-4749

# Work Force Development

# Improving Iowa's Systems

March, 1993

Iowa Departments of:

Economic Development

Education

Elder Affairs

Employment Services

Human Rights

Human Services

## Background

Despite our exemplary education, employment and training programs, and highly productive work force, Iowa's work force preparation efforts must change to more effectively meet today's more pressing needs. The combination of two trends, higher skill demands in the workplace and a higher proportion of disadvantaged people entering the work force, creates the danger of a bifurcated economy in which well educated and skilled citizens flourish while a larger share of our neighbors suffer reduced incomes, employers can't find the qualified workers they need to prosper, and the quality of life for all of us is seriously diminished.

To make matters even more critical, these workplace and work force trends are being felt at a time when public services are facing extremely severe budget constraints. The costs of welfare (and the related health care costs for welfare recipients), crime, and other problems are escalating. Public resources dealing with basic services and traditional infrastructure, as well as investments in our work force, are scarce at all levels of government.

One major specific problem with our current approach is that our work force development system is so fragmented and our programs are so isolated from one another. In fact, it is fair to say that we don't have a system at all. Instead, we have a collection of programs that were designed at both the federal and state levels to address particular work force problems or to target services to particular populations without sufficient regard to how each program would interact with the others. As a result, we have duplication, conflicting methods and goals, arcane jargon, and information systems that don't communicate information between programs.

This isn't to say that there is no coordination between programs. Staff at all levels have long recognized the need to tailor services from several programs to meet individual needs, and they have developed excellent cooperative relationships to do so. But these achievements have too often been made in spite of the obstacles built into programs' designs. If we are to use our current resources more effectively, we need to redesign our programs into an integrated system which actively supports "horizontal" communication across program and organizational boundaries, and encourages programs to reinforce and complement each others' efforts.

The Iowa Departments of Economic Development, Education, Elder Affairs, Employment Services, Human Rights, and Human Services share the desire for more systematic collaboration among programs and recommend the actions outlined below. Our goal is to establish a cohesive, customer driven work force development system that provides long-term economic independence to Iowans. We believe that this system must be based on innovative State and community collaborative efforts.

## I. Work Force Development Council

The recently enacted Job Training Partnership Act amendments give states the option of creating a Human Resource Investment Council which would have advisory responsibilities concerning programs under the Job Training Partnership Act, Job Service activities under the Wagner-Peyser Act, the Job Opportunities and Basic Skills (JOBS) program for welfare recipients under part F of Title IV of the Social Security Act, the National and Community Service Act, the Adult Education Act, and the employment program under the Food Stamp Act. Vocational education programs under the Carl D. Perkins Vocational and Applied Technology Education Act would be included only if the State Council on Vocational Education so chooses, and Vocational Rehabilitation programs are specifically exempted from inclusion.

Information about the Human Resource Investment Council option has been distributed to parties engaged in the various programs that would be affected, and comments have been collected. In general, some people worry that a "super council" overseeing so many programs will be less able to examine issues in as much detail as the separate existing councils do now. Some existing councils incorporate advocacy roles on behalf of specially targeted populations or types of service, and there is concern that these specialized areas of focus might be subsumed in a consolidation. Any proposal to move toward a Human Resource Investment Council would need to carefully address these concerns. On the other hand, there is already some interest in creating a Human Resource Investment Council primarily because it would offer the opportunity to develop a more cohesive work force development policy so that a variety of programs can work together more effectively. The existing councils for Employment Services and Job Training Partnership Act programs have voted to endorse the concept of a Human Resource Investment Council for Iowa.

For now, Governor Branstad has stated his intention to create a Work Force Development Council, charged with working with the existing councils to identify human resource needs and recommend goals to meet them, suggesting goals for the development and coordination of a human resource system, recommending a plan to accomplish the goals, advising the Governor on strategies for coordinating programs, and assisting to implement Work Force Development Centers in pilot areas of the state. This Work Force Development Council is not a Human Resource Investment Council as defined in the JTPA amendments, and will not consolidate the other existing councils as permitted under the new federal legislation, but it constitutes an evolutionary step toward better coordinating the planning and advisory functions of several programs at the state level. It should include individuals with expertise concerning the entire current array of programs and services, including members of separate existing councils.

The Governor will also charge the Departments of Economic Development, Education, Elder Affairs, Employment Services, Human Rights, and Human Services with providing the council with staff support as needed. Overall staff support for the council will be provided by a Work Force Coordinator.

## II. Integrated Information System

Typically, programs' computer systems are designed entirely in isolation from one another. Moreover, some are designed primarily to meet federal and state reporting requirements rather than to be useful in terms of managing, coordinating or evaluating programs. Instead of facilitating communications, our fragmented collection of computer systems actually inhibit coordination among programs.

A management information systems (MIS) task force was created by several departments to develop recommendations for establishing a common information system, with assistance from IBM consultants. The task force began with four design principles: clients will choose the services that meet their needs; information collected will be proportional to the selected level of service; information will be collected cumulatively to prevent redundant provision of information by clients; and confidentiality will reflect that clients own and control data about themselves.

We recommend that an integrated MIS be implemented in Iowa in three phases:

1. Create access to existing information - This will be accomplished by establishing electronic links between current programs.

2. Create a common interface for an intake system - This will provide information both to current information systems and a new integrated employment and training database.

3. Create a fully functional integrated information system - This would include provisions for case management and tracking, as well as decision support for assessment and eligibility decisions.

A more detailed report on the work of the MIS task force is available for those wishing additional information.

Initially, the integrated MIS would encompass Employment Service's activities as well as programs under the Job Opportunities and Basic Skills, and Job Training Partnership Act programs. Vocational Rehabilitation is expected to participate in the development of this system, and it could be expanded to include other programs as well.

## III. Work Force Development Centers

Currently, each program conducts its own outreach, intake assessment, etc. The people and businesses who need their services are seldom aware of all the labyrinth of services available, even if they are fortunate enough to find their way to any one of the programs.

We recommend that Iowa move forward to implement a statewide network of work force development centers that are made highly visible to all Iowans. Each work force development center would be comprised of at least a minimum of core programs and would provide a set of common services. At a minimum, the initial programs to be co-located include Department of Employment Services programs, programs under the Job Training Partnership Act, the Promise Jobs program, and Vocational Rehabilitation. These programs are all statewide in coverage and bring with them sufficient funding to provide "critical mass" in the work force development centers. The state's community colleges and community action agencies, which are key service providers in each part of the state, will need to be involved to help ensure that appropriate linkages are developed and maintained.

Many other programs exist, but either have lower levels of funding or else operate exclusively on a competitive grant basis so that they may not be present in a given area during a given time period. These include some displaced homemaker programs, projects funded by the Work Force Investment Program, Iowa Conservation Corps projects, various employment and training programs for older individuals, and others. Depending on the type of activity that exists in each area, these programs will also be involved, either directly in the work force development center or as customers of many of the centers' services. The intention is to encourage all the appropriate organizations to work together in this effort.

The core services available to all Iowans in each center will include outreach, intake, assessment, labor market information, occupational and career counseling, job placement, and referral to other appropriate services. There will need to be some degree of consistency statewide, but the ongoing delivery arrangements for these services, as well as the provision of additional services, will be determined locally. Decisions concerning daily management, operating procedures, location, satellite centers, etc. will be made locally, too. This approach involves no shifts in line authority over programs or personnel, but it does entail decentralization of authority for some functions to local interagency groups to the extent consistent with federal requirements and State responsibilities.

Simply co-locating locally will make programs more accessible and can also be expected to increase communication and collaboration between programs. But co-location by itself will not be sufficient to link programs into the true system that we need. State and local officials will need to commit themselves to a strong customer orientation toward employers, job seekers, and other programs and service providers. They will also need intensive staff development, clear policy goals, and support systems (including integrated information systems) that make day-to-day collaboration easier.

State and local representatives of the organizations affected should be convened to move ahead to further define the details of implementation. Model work force development centers should be created in pilot areas with a view toward establishing a statewide network over time.

Finally, the State agencies involved with these programs should examine the merits of state level interdepartmental co-location of appropriate staff, too. Many of the advantages that apply to local service provision apply to state administration as well.

## IV. Federal Changes

Major impediments to constructing a cohesive service delivery system arise from the fragmentation of programs at the federal level. The various federal laws and regulations sometimes talk of coordination, but include provisions that get in the way when practitioners try to coordinate. They have very different policies and goals, use different jargon, different planning and funding cycles, cost provisions that discourage jointly funding projects, and so forth.

As specific impediments are identified in Iowa, we need to pursue federal waivers, regulatory changes and statutory amendments in a comprehensive manner that cuts through the barriers that exist between programs and agencies at the federal level. Examples might include pressing for common terms and definitions at the federal level or the revision of cost allocation requirements that discourage coordination of services. Again, our guiding principle should be that we need to redesign our programs into an integrated system which actively supports "horizontal" communication across program and organizational boundaries, and encourages programs to reinforce and compliment each others' efforts. Iowans must become more aggressive and coordinated in bringing changes to the federal government that will help to achieve this goal.

## V. Project Coordinator

In order to provide consistency and momentum for this effort, the Governor will appoint a coordinator with specific responsibility to move it forward. The coordinator will be responsible for coordinating staff support to the Work Force Development Council, facilitating interagency collaboration among state agencies, and ensuring full consultation and participation on the part of local service providers and customers of the programs.

## One Stop Shop
## for Work Force Development

Iowa is ready to implement work force development centers throughout the state. The centers will include, at a minimum, Job Training Partnership Act programs, Employment Services, the JOBS program for welfare recipients, and Vocational Rehabilitation. Community colleges, community action agencies, area agencies on aging, displaced homemaker programs, and others will also be invited to participate.

State legislation signed on May 4, 1993 mandates the creation of the work force development centers, and six State departments have collaborated to develop policies and design a process to ensure active participation from local representatives in the implementation phase. Governor Branstad has also indicated that he will appoint a work force development council to assist with this effort.

Iowa is seeking both financial assistance and other types of support from federal officials in establishing the network of work force development centers.

Demonstration Funding - The work that Iowa has already undertaken has prepared it to begin implementation on one stop shops immediately. Early implementation in Iowa will provide an example and model for other parts of the country.

A major prerequisite for establishing one stop shops is one time funding to buy out the existing leases some of the agencies to be collocated. This is not a traditional type of expenditure for federal government programs, but it is necessary to cut the knot of fragmented, inaccessible services that currently exists.

Laws and regulations - Programs are typically designed to stand alone, rather than be an integral part of an overall work force development system. As a result, they include some provisions that seriously inhibit collaboration. Ultimately, one stop shops would work best if program funding were decategorized. Recent Iowa legislation authorizes the creation of training accounts tailored to individuals (rather that programs) as the vehicle to make decategorization work.

At a minimum, the current requirements regarding classification of costs by program category and, especially, for allocating costs among funding sources need to be relaxed or eliminated where efforts to jointly fund a cohesive work force development system are under way.

Integrated Information Systems - Merging the automated information systems of diverse programs would result in speedier and more personalized service, more accurate payments, and better evaluation of program designs. Iowa has developed a strategic plan for achieving an integrated information system for all work force development programs.

(over)

Special federal funding for some equipment costs would be useful, but financial support for system design, technical development, and assistance to local program operators is even more important.

Federal officials could also make a valuable contribution by removing some of the present barriers to integration. Section 455 of the recently amended Job Training Partnership Act calls for several federal agencies to work with the National Occupational Information Coordinating Committee to arrive at common terms and definitions for a variety of federal programs. This opportunity to literally create a common language among programs should be seized at the highest levels of the respective departments.

Similarly, federal leadership in facilitating interstate agreements and data exchange between the states' unemployment insurance data bases would be extremely valuable. This information has enormous potential for reducing the costs of gathering post-program follow up information. It could also give the nation a new capability for conducting long term impact evaluations for a large number of federal and state programs.

## Executive Summary

## Integrated Employment and Training Management Information System Plan

Iowa's TARGET Alliance, composed of government, business, labor and education representatives, is working to develop a seamless employment and training delivery system which will integrate programs and make lifelong training services more accessible. The TARGET Alliance Model System Group developed a redesigned employment and training system and identified the need for a common management information system that would:

- give employment and training providers access to a network of resources,
- reduce administrative costs by consolidating intake and record keeping, and increase responsiveness to clients.

The Integrated Management Information System (MIS) Task Force was created by the TARGET Alliance Model System group to address the need for a common management information system. The Integrated MIS Task Force, with representation from the Departments of Employment Services, Elder Affairs, Economic Development and Human Services, began work in July, 1992 with consultants from IBM to develop a long range blueprint for developing a common information system. The following recommendations reflect the work of the MIS Task Force.

**Recommendations:**

The MIS Task force recommends that an Integrated Management Information System for Employment and Training be developed that reflects the following design principles:

**Client Choice**
Clients after receiving information about the services and opportunities available choose those that meet their needs.

**Information Collected Proportional to Service Delivery Level**
Clients are only required to provide the information required to deliver the selected level of services.

**Cumulative Data Collection**
Information will be collected over time to prevent redundant provision of information by clients.

**Confidentiality Maintained: Client Owns Data**
Maintaining confidentiality and privacy of information is critical to the design and will reflect the fact that the client controls the sharing and use of information.

The MIS Task Force proposes that an integrated MIS be implemented in three phases:

The First Phase creates access to existing information as a first step toward a common management information system. The access will be achieved by establishing electronic communications between the relevant agencies. Information gathered by the Departments of Human Services and Employment Services would be available and accessible to the Departments of Economic Development and Elder Affairs. The two key implementation issues which will be resolved in the First Phase are confidentiality and security of information, and the creation of a technical platform to support connectivity and communication.

The Second Phase creates a common interface for an intake system that would provide information both to current information systems in the individual agencies and a new integrated employment and training client database. The two key implementation issues which will be resolved in the Second Phase are consensus on data element definitions and use of information, and the creation of the technical environment to support the new user functionality and integrated database.

The third phase creates a fully functional integrated information system including case management and tracking, and decision support for assessment and eligibility decisions. Two of the key implementation issues which will be resolved in the Third Phase are concensus on shared case management and assessment, and the creation of the technical environment that will support migration to the integrated management information system.

**Benefits**

These recommendations are based on information gathered through an extensive interview process involving 34 individuals in the four agencies. The benefits of implementing these recommendations will be substantial:

- Increased client service access
- Increased program effectiveness
- Increased staff productivity

The proposed three phase approach to building an integrated management information system has the advantages of building on current investments, developing capacity and solutions over time. This development allows key operational and program issues to be resolved as the technical platforms are created, and enhances the possibility of a smooth migration to a fully integrated system.

April 21, 1993

Dear :

You should recently have received a letter and information from the directors of six State departments concerning improvements to Iowa's work force development system. Since then, the Iowa General Assembly has acted to codify some of the concepts that were included in the State Human Investment Policy initiative as well as the earlier mailing, and the Governor is expected to sign the legislation.

This letter is being sent as a follow up to local representatives of Employment Services, Job Training Partnership Act programs, and Vocational Rehabilitation. Between these organizations, you are responsible for the local operations of Employment Services programs (including the Food Stamp Employment and Training program), JTPA programs, Vocational Rehabilitation programs, and the PROMISE JOBS program. Because you and your colleagues with the other two organizations have been identified as the core service deliverers for local work force development centers, you should play a lead role in preparing to implement a workforce development center in your area. The purpose of this letter is to provide you with information and advice as you move forward.

Employment Services, JTPA, PROMISE JOBS and Vocational Rehabilitation are expected to comprise the minimum of services offered in a work force development center. The intention, however, is to be as inclusive as possible. The participation of the community colleges, either in the center or through other types of arrangements, will be critical to the success of this effort since they are major providers of skill training, assessment and other services. Similarly, community action agencies' outreach, family assistance, and related services will be invaluable to a comprehensive approach to developing Iowa's human resources. Regional Administrators and Area Administrators of the Department of Human Services and the directors of the Area Agencies on Aging need to be included in local design of the centers as well. Other programs and organizations, such as displaced homemaker programs, may also exist in your area and should be involved as appropriate. Again, the goal is to be as inclusive and comprehensive as possible.

The first step you must take, if you haven't already, is to form a local implementation group to get together on a regular basis. The group should include staff who are knowledgeable about all of the applicable programs in your area. We anticipate that the work force development centers will use the geographic service delivery area boundaries that currently apply to JTPA, PROMISE JOBS, and Employment Services. How you structure your group is largely up to you and your local counterparts. From the State perspective, we only insist that all members of a local work force center work together as equal partners.

We anticipate that your group will have several types of responsibilities over a course of several months:

a. First, it will constitute a formal communication link between State and local officials in your area. While we will continue to communicate within our respective programs, some communications will need to involve a formalized local implementation group. To this end, please provide us with the names of one individual from each of the programs or organizations that make up your local group by May 14, 1993. Send your area's names to me at 200 East Grand Avenue, Des Moines, Iowa 50309, (FA 515-242-4749) and I will convey them to the rest of the state interagency team.

b. Some areas have already formed groups and have been very active in discussing collocation and coordination of services. We applaud these efforts and want to ensure that we have accurate information about them at the State level. Please send me a brief description of any such activity you've undertaken, including the organizations involved and other specific topics you believe pertinent, by May 14, 1993.

c. While collocating services will make them more accessible to many customers, collocation alone isn't sufficient to provide comprehensive improvements to Iowa's overall work force development system. Additional guidance on design of the work force development centers will be forthcoming as the planned state/local work groups develop policies and suggestions.

d. The local work force development center will also need to develop a plan for coordinating effectively with the broader work force development community that will not be located within the center. Once again, the general principle is to be as inclusive as possible.

In the near future, you will be invited to a meeting along with others who volunteered to participate in response to the department heads' recent correspondence. At that time, we will have an opportunity to review these matters more thoroughly. If you have any questions in the meantime, please do not hesitate to call any of the individuals involved at the state level. A listing of the state interagency team is attached for your reference.

Sincerely,

Jeff Nall, Chair
Interagency Work Force Development Team

cc: Area Agency on Aging directors
Community Action Agency directors
Community College presidents
Department of Human Services regional administrators
Displaced Homemaker program representatives

# Iowa's Family Investment Program (FIP) Waiver

Iowa's Family Investment Program (FIP) is the result of five years of planning and collaboration among a number of state agencies. Current and former recipients, community-based organizations, churches, educational institutions, labor, and business were also involved in the design. The plan was developed in a year-long planning process under an appointed State Human Investment Policy (SHIP) Council as part of a larger plan, called Iowa Invests, which deals not only with welfare reform but also asset-building strategies, services to empower families, economic development, and workforce development. FIP was passed by the Iowa Legislature with strong bipartisan support (49-0 by the Senate and 98-1 by the House) and signed by the Governor on May 4, 1993. In order to implement FIP, waivers must be approved by the federal government.

FIP replaces the traditional Aid to Families with Dependent Children program. Specific components of FIP are summarized below according to the three themes outlined in Iowa Invests--transitions to work, family stability, and responsibility with consequences:

<u>Initiatives Providing Transitions to Work (Effective 7/1/93)</u>:

a. A work expense deduction equal to 20% of gross earnings, replacing the current maximum deduction of $90 per month, and an income disregard equal to 50% of the earnings remaining after all other deductions have been made, replacing the current $30 plus one-third time-limited disregard. Stepparents will receive the same work deductions as a parent.

b. Eliminate the 100-hour monthly cap on earnings of the unemployed parent.

b. A Work Transition Period which is a 4-month disregard of all earned income for FIP applicants and recipients who have been unemployed for at least 12 months.

c. An exclusion of terminated income from the calculation of benefits beginning the first month the income is absent, if the recipient has not quit employment without good cause.

d. A disregard of interest income.

e. A disregard of funds deposited into an Individual Development Account (IDA) after IDAs are implemented. An IDA is an optional, interest-bearing, tax-benefited account, much like an Individual Retirement Account (IRA).

f. An expansion of the eligibility period for Transitional Child Care (TCC) from 12 months to 24 months for people who lose FIP due to employment.

<u>Initiatives Promoting Family Stability (Effective 7/1/93)</u>:

a. Exclusion of work history and which parent earned more money in determining eligibility for Unemployed Parent assistance. Both parents will be required to look for work.

b. Allowing for families to accumulate more resources by: Disregarding the first $3,000 in equity value of a motor vehicle; disregarding up to $10,000 of a self-employed person's tools of the trade and capital assets; disregarding the balance of an Individual Development Account as a resource; and raising the resource limits of countable assets to $2,000 for applicant families and $5,000 for recipient families.

Responsibility with Consequences (Effective 1/1/94):

As a condition for receiving assistance, parents will be required to enter into a social contract, the Family Investment Agreement (FIA), that outlines what they must do to achieve self-sufficiency and time frames for accomplishing the goals set in each family's individual plan.

In the new FIA environment, barriers to participation will be addressed as problems to solve, involving all possible community resources, rather than "good cause" for not participating. The concept of "conciliation and sanction" is replaced with clear consequences which result from participant choices. Refusal to participate or lack of effort to maintain the agreement will result in a modification of the FIA and can lead to a gradual termination of assistance.

The only persons exempted from this requirement are persons who are:
- working at least 30 hours per week,
- required in the home to care for a child under six months of age, or
- disabled and unable to participate.

Person exempted may volunteer, however. Services available through these agreements will include:
- assessment,
- employment,
- job-seeking skills training,
- job search,
- education or training,
- family development services,
- work experience,
- unpaid community service, and
- parenting classes.

Supportive services include transportation, child care, and payment of tuition/fees/books/supplies for those in activities related to high school completion and post-secondary education.

In addition to the above initiatives, there will be a limitation placed on the amount of aid paid to certain families moving to Iowa from another state and several food stamp waivers have been requested to promote compatibility with FIP.

PROMISE JOBS AND FAMILY INVESTMENT AGREEMENTS

## I. Introduction

The goal of self-sufficiency for welfare recipients has always been the foundation of the PROMISE program in Iowa. Every initiative of that program has been tied to enabling the AFDC recipient to move toward that goal. PROMISE JOBS, Iowa's version of the Federal Job Opportunities and Basic Skills initiative, is currently at the center stage of that effort. However, the enactment of State legislation for the Iowa Family Investment Program (IFIP) has now provided an opportunity for a welfare reform effort which not only embodies the concept of self-sufficiency but adds an essential element of personal responsibility for the achievement of that goal.

A key element of the IFIP is the establishment of the Family Investment Agreements (FIA) as the instrument to enable welfare recipients to attain self-sufficiency. These agreements represent a major shift from traditional thinking about "public assistance." The FIA will empower people to take advantage of options by making real choices. No longer will public assistance be a traditional compliance system where financial sanctions can be imposed for failure to achieve short-term requirements. Instead, families will have the opportunity and support to move out of dependence on public assistance, and real consequences will be realized by those who choose not to participate in this process.

To fully realize its potential, the FIA concept must be successfully incorporated into the structure of Iowa's existing employment and training system. The shift in traditional thinking described above must be accompanied by a significant shift in the service structure currently available to welfare recipients. A new way of thinking and a new way of acting must pervade the entire system, from the State's executive and legislative branches to local agencies and organizations to the program participants themselves.

It makes little sense to re-invent the wheel in determining the optimum method of delivery of services under the IFIP. As stated above, the concept of self-sufficiency is already been established in the success of the PROMISE JOBS program. At present, many Aid to Families with Dependent Children (AFDC) recipients participate in PROMISE JOBS. As the Iowa Family Investment Program replaces the traditional AFDC program, the FIA activities and services will be folded into PROMISE JOBS. By incorporating the principles, concepts and components of the IFIP, PROMISE JOBS will be able to serve more participants more effectively, without the impediments and disincentives which plague the welfare system and the current JOBS program.

The revised PROMISE JOBS program will be based on a series of responsibilities and agreements between three entities: the State, the local delivery system, and the program participant. The remainder of this document will describe in greater detail how these responsibilities and agreements will interrelate in the program.

## II. State Responsibilities and Agreements

In the context of this document, the "State" is considered to be those Departments directly involved in the Iowa PROMISE program: Human Services, Employment Services, Economic Development, Education, Human Rights, and Management. Councils or workgroups comprised of staff of those departments will carry-out the State responsibilities.

State-level administrators will continue to develop policy and to establish the basic framework for the PROMISE JOBS program. That framework will include the designation of service areas, program components, budgets and allocations, and oversight. Additional responsibilities for the State will include approval of service plans and program evaluation based on program outcomes.

### A. Service Area

Since program planning and delivery will occur at the local level, service areas must be established. These areas will follow the identical boundaries of the sixteen Service Delivery Areas (SDAs) of the Job Training Partnership Act (JTPA). The primary local delivery agencies for PROMISE JOBS will continue to be Job Services (DES) and Job Training Partnership Act (JTPA) offices. This alignment will capitalize on the strengths of current program design and agency coordination in the existing SDAs. SDAs are comprised of consortiums of counties, thereby enhancing coordination with county offices of the Department of Human Services.

### B. Program Structure

The State, with input from employment and training providers, will redesign the PROMISE JOBS program structure. As stated above, the Iowa Family Investment Program presents a significant shift in philosophy for the welfare system. That shift requires a review and revision of a number of the basic elements of the PROMISE JOBS system including the participant process, training components, support services, and the basic administrative mechanisms necessary to establish, implement, and evaluate the program. The current State JOBS plan will be a foundation document for this structure, with the IFIP legislation, State Human Investment Policy, and Workforce Development Centers initiatives adding major influence to the final structure.

C. Allocation of Funds.

Budget and allocation responsibilities will also rest with the State. The Department of Human Services, the Department of Employment Services, and the Department of Economic Development will determine the amount of funds necessary for administration of the program at the State level. DHS will contract with DED and DES for these administrative funds.

Funds to be used for local service delivery will be allocated to service areas through a formula which is equitable determined based upon service need. The amount of funds to be utilized by each local JTPA and Job Service office will be decided through a local planning process (See III.A. "Planning" below). Based on that process, funds for local service delivery will be included in the contracts which DHS established with DED and DES. Those two agencies will subsequently establish agreements with their local JTPA and Job Service offices to allocate these funds. These agreements will detail the responsibilities of the parties, to include work statements, budget limitations, general program provision, fiscal and statistical reporting requirements, and program goals.

D. Review and Oversight

The State will be responsible for review and oversight of the PROMISE JOBS program. Program oversight will include monitoring, use of a management information system, and program audits. A system of training and technical assistance for program staff will be provided by the State.

Associated with program oversight will be an enhanced emphasis on program outcomes. The State will establish performance achievement measures against which local program services can be evaluated.

III. Local Responsibilities and Agreements

Local JTPA and Job Service staff will be responsible for operating the PROMISE JOBS program in service delivery areas. It is expected that these agencies will establish extensive linkages and coordination agreements with other human service and education programs in each SDA. The responsibilities of Job Service and JTPA can be broadly categorized as planning and service delivery.

A. Planning

Following the program parameters and budgets established by the State, PROMISE JOBS administration at the local level will require the development and delivery of a program plan which is specific to each service area. Recognizing that each area will vary in size, occupational climate, human service resources, and other elements which are relevant to service delivery, each local plan will offer a unique approach to achievement of the performance standards against which the success of the program, and the local delivery mechanism, can be measured. The development of the plan will require close coordination, and possibly integration, with other employment and training or human resource agencies in each service area.

The plan must specify the division of duties between the JTPA and Job Service offices. Although both offices are responsible for the successful delivery of the program, service components may be delivered by one agency or the other. However, certain participant processes are expected to be jointly delivered. These include orientation and case management which includes development of the FIA. The plan must also address which agency will conduct call-in, assessment, and job placement activities. Finally, based upon this division of duties and the allocation of funds provided by formula to the SDA, a budget for each agency must be established.

The plan will be submitted tot he State for review and approval. It will be incorporated into the contractural agreement as the work statement for the PROMISE JOBS program in each SDA.

B. <u>Service Delivery</u>

The delivery of certain program services will be conducted jointly by Job Services and JTPA staff. These include orientation, development of individual agreements, and case management.

The determination of which agency or agencies will deliver other program services (e.g. assessment, job search, job training activities, etc.) will be made locally. If some services are available and can be effectively delivered through other local service providers (CAPs, education agencies, etc.), accommodations for use of those resources can be made. Coordination agreements with other employment and training programs, such as child care agencies, may also be developed.

C. <u>Accountability</u>

Each SDA, as JTPA and Job Services entities, will be responsible for program outcomes. The primary assessment will be made against the performance achievement measures established by the State. However, other indicators of performance will also be used, including monitoring reports, fiscal accounts, local goals, and degree of success in delivering the local plan.

## IV. Participant Responsibilities and Agreements

The final link in successfully implementing the Iowa Family Investment Program is the individual participant. Note that this individual is no longer a welfare recipient, but a participant in a program designed to assist their attainment of family self-sufficiency. The IFIP is designed to enable rather than to maintain.

As a participant in PROMISE JOBS, each individual will have the opportunity to change their life's circumstances. Iowans must have choices and option and the right to exercise them. The IFIP establishes a system which operationalizes those rights and responsibilities for Iowans receiving public assistance.

### A. The Family Investment Agreement

Each PROMISE JOBS participant will have an individual roadmap to self-sufficiency called the Family Investment Agreement. It is critical to understand and appreciate the necessity of individualized FIAs. In order to insure the most effective and efficient system, clients who have the potential to move into self-sufficiency with short-term assistance should be able to do that without experiencing barriers impede their progress. Likewise, clients who require extensive long-term agreements would receive appropriate assistance without facing an arbitrary cutoff date.

Therefore, it would be inappropriate to establish a standard length for all FIAs. The PROMISE JOBS worker must have an understanding of the full range of programs and resources which may affect the FIA. He/She will need the flexibility to develop the most effective and efficient FIA. Quality initial training and ongoing staff development of the PROMISE JOBS workers by the State will be critical to the success of the FIAs.

Just as the program names will change, so will some important policies and their philosophical underpinnings change. A major philosophical change is in the new approach to "barriers to participation," and "sanctions for nonparticipation." Currently, PROMISE JOBS regulations describe a number of barriers (e.g., lack of transportation) which can establish a "good cause" for not participating. Within the context of the FIA, these so-called barriers would be identified as issues to be resolved so that participation could result.

The concept of "sanctions" is also revised in the FIA system. The Family Support Act requirements for a conciliation process and the progressive punishment system of first, second, and third sanction policies were implemented in PROMISE JOBS. This process, whether it leads to resumed participation or to a reduction of the ADC grant, is lengthy and cumbersome and effectively delays participation in self-sufficiency activities without providing the resources for resolution of the problems which lead to nonparticipation.

In the new PROMISE JOBS environment, lack of effort or refusal to participate will result in a modification of the FIA (see Step 7.C.) and can lead to termination of assistance, rather than the cumbersome and ineffective fluctuation in monthly payments. The reason for these changes is grounded in the belief that Iowans in need of public assistance want and deserve the choice and responsibilities inherent in the FIA--not the rigid and ineffective rules inherent in the Family Support Act sanction policies.

B. The Participant Process

Following is a step-by-step example of how the revised PROMISE JOBS system would work. Throughout the entire PROMISE JOBS process, the participant would be afforded due process.

Step 1: An individual applies at a county DHS office for assistance through the Iowa Family Investment Program (IFIP). The application for services includes a brief explanation of PROMISE JOBS and FIAs.

Step 2: The participant is determined eligible for assistance by the DHS income maintenance (IM) worker and receives a full orientation to PROMISE JOBS from PROMISE JOBS staff.

Step 3: At this step, the participant has two options:

A. Participants may choose to begin PROMISE JOBS and full FIA development within 10 working days of their eligibility determination by the IM worker.

B. Participants may choose not to develop a full FIA and may enter, instead, into a Limited FIA. These participants would be eligible for up to 3 months of benefits from the date of eligibility determination, followed by a three month benefit period reflecting the needs of the children only. At the end of this period of reduced benefits, the total grant would be terminated. During the Limited FIA, an inquiry would be made as to the well-being of the children.

The participant would not be eligible to reapply for services until six months following the termination of a Limited FIA.

Participants who choose the Limited FIA option will have 45 days following their initial eligibility determination to reconsider and begin development of a full FIA.

Step 4: The PROMISE JOBS worker will meet individually with the participant within 30 days of referral to begin the development of the FIA. This meeting will, at a minimum, assess the following:

A. Family profile and goals (including FaDSS criteria)

B. Work background

C. Educational background

D. Housing needs (e.g., locale, adequacy, potential impact on rent assistance)

E. Child care needs

F. Transportation needs

G. Health care needs (physical/mental)

H. Financial evaluation (current financial status; projected needs for self-sufficiency)

I. Other barriers which may require referral to other services for assistance and resolution (e.g., substance addiction, sexual or domestic abuse history, overwhelming family stress, long-term dependency on welfare)

If, after assessment, a short-term FIA is the participant's choice, the PROMISE JOBS worker and the participant have the authority to immediately negotiate that type of agreement.

Currently under PROMISE JOBS, situations occur which allow participants not to participate due to "good cause" (e.g., lack of transportation). These good cause barriers should not exclude the participant from development of an FIA. They should instead be addressed in the FIA as an opportunity to solve the problem.

Step 5: FIAs shall detail the expectations of both the state and the family in accomplishing the FIA. The PROMISE JOBS worker and the participant will outline the chosen activities and appropriate referrals in the FIA. Activities and services may be pursued sequentially or concurrently, depending on family circumstances. Vocational assessment and employability planning will be part of the FIA process.

Participants will have access to a full range of work and training activities including job search, expanded assessment, classroom training, work experience,and basic education activities such as high school completion, GED, and English as a second language. Employment, unpaid community service, and parenting skills training can be also be a part of the FIA.

Step 6: Some families will have significant barriers which prohibit them from successful participation in work and training activities under PROMISE JOBS. Because PROMISE JOBS is a holistic process, looking at all of the needs of the family, these participants will be referred to FaDSS or other family development services to the extent that funding is available. A referral could be made to appropriate family development services at any time that "significant barriers" surface or are identified. The FIA could show this referral as a service to be provided before other activities are pursued or it could show that family development services will support participation in other activities.

For families referred to family development services, such as FaDSS, the family development specialist will be responsible for providing the family development services and determining when other activities, such as work and training activities, should begin. For families receiving child welfare services, there will be close coordination between the PROMISE JOBS worker and the child welfare social worker.

Step 7: Every FIA will have expectations, responsibilities, and consequences regarding the time frame during which the client becomes self-sufficient and the FIA ends. That time frame may conclude in any of the following ways:

A. The participant achieves self-sufficiency, the FIA concludes successfully, and need for public assistance ends.

B. The participant demonstrates effort and satisfactory progress but is unable to achieve self-sufficiency within the FIA time frame. In this situation, extensions of the FIA will be granted. Reasons for extensions may include but are not necessarily limited to: becoming employed but not yet self-sufficient; actively job seeking; receiving post-secondary classroom training; or participating in parenting classes or other developmental activities. Extensions would also be available for families who have significant barriers to self-sufficiency and for whom FaDSS services are not available.

C. The participant refuses to participate in the self-sufficiency process. This third option will result in the termination from PROMISE JOBS. Since the PROMISE JOBS worker and the participant are able to reevaluate ongoing efforts and progress, benchmark in progress should be understood, achievable, and measurable by both the client and the FIA worker.

This process renders sanctions obsolete. Such sanctions neither provide clients with an appropriate range of choices nor produce the desired result of full participation. However, there may be clients should choose not to participate or who make no effort toward self-sufficiency. In those cases, the FIA will be modified to reflect termination at the point at which all avenues to negotiate participation have been exhausted. At the termination of the FIA, the participant will retain full benefits for three months, followed by a three month benefit period reflecting the needs of the children only. At the end of the period of reduced benefits, all financial assistance received through the Family Investment Program will end. During this reduction period, an inquiry will be made as to the well-being of the children.

The individual would not be eligible to reapply for services until six months following termination of all benefits.

# COMPARISON OF NEW POLICY WITH

# CURRENT AFDC

# AND

# OTHER WELFARE RELATED

# PROGRAMS

<table>
<tr><th>INITIATIVE</th><th>CURRENT POLICY</th><th>WHY IT DOESN'T WORK</th><th>NEW POLICY</th><th>WHY IT WOULD WORK</th></tr>
<tr>
<td>TRANSITIONS TO WORK<br>A. Work Incentives</td>
<td>• 100% of all family income is deducted from grant<br>• incentives are time limited<br>Δ $30 + 1/3 incentive is time limited to four months<br>Δ $30 incentive is limited to eight additional mos.</td>
<td>• families cannot get ahead by working<br>• income may decrease due to <u>actual</u> work-related expenses<br>• incentives are too low and time limited<br>• expiration of time limits results in major or total loss of AFDC benefits</td>
<td>• As family works and earns, only 50% of the family's income is deducted from the AFDC grant<br>• provides families incentives to work and earn their way out of poverty<br>Example
<table>
<tr><th>Net Income</th><th>Current Grant</th><th>New Grant</th></tr>
<tr><td>$0</td><td>$426</td><td>$426</td></tr>
<tr><td>$100</td><td>$326</td><td>$374</td></tr>
<tr><td>$200</td><td>$226</td><td>$324</td></tr>
<tr><td>$300</td><td>$126</td><td>$274</td></tr>
<tr><td>$400</td><td>$26</td><td>$224</td></tr>
<tr><td>$500</td><td>$0</td><td>$174</td></tr>
<tr><td>$600</td><td>$0</td><td>$124</td></tr>
<tr><td>$700</td><td>$0</td><td>$74</td></tr>
<tr><td>$800</td><td>$0</td><td>$24</td></tr>
<tr><td>$900</td><td>$0</td><td>$0</td></tr>
</table>
</td>
<td>• increases the number of AFDC families who work<br>• increases the number of AFDC families leaving AFDC because they work<br>• encourages families to begin working<br>• as family income gradually increases, the new policy moves out of poverty and off welfare<br>• results in more family income when working than when on AFDC</td>
</tr>
<tr>
<td>B. Earned Income Deductions</td>
<td>Current deductions are:<br>• $90 work expense</td>
<td>Deductions do not encourage work because:<br>• the amount of the deductions does not reflect family's actual work expenses<br>• has not been adjusted for inflation since 10/1/89</td>
<td>The proposed deductions are:<br>• work expense: 20% of gross wages<br>Example
<table>
<tr><th></th><th>Current</th><th>New</th></tr>
<tr><td>gross wages</td><td>$600</td><td>$600</td></tr>
<tr><td>wk expense</td><td>(90)</td><td>(120)</td></tr>
</table>
</td>
<td>They encourage work because:<br>• the amount of the deductions is increased<br>• the family has more money to actual work-related expenses</td>
</tr>
</table>

| INITIATIVE | CURRENT POLICY | WHY IT DOESN'T WORK | NEW POLICY | WHY IT WOULD WORK |
|---|---|---|---|---|
| **TRANSITIONS TO WORK**<br>**C. Work Incentives for Two-Parent Families and Removal of Marriage Barriers** | | | | |
| **1) Stepparents** | *Comparison of Deductions*<br><br>        Step Parent / Parent<br>work expense: $75 / $90<br>child care: no / yes<br>disregards: no / yes | ***Marriage is not encouraged because:***<br>• deductions are different for parent and stepparent<br>• less work expense deductions for stepparent may cause larger decreases or total loss of family's AFDC | ***Equalizing the earned income deductions for stepparents allows:***<br>• same work expense allowance as for the parent<br>• child care expenses for <u>all</u> children in family<br>• disregards | ***Equalized earned income deductions encourage marriage because:***<br>• encourages marriage<br>• allows stepparents the same consideration as parents<br>• creates sense of family unity<br>• contributes to family's financial stability |
| **2) Two-Parent Families**<br><br>**A two-parent family does not assume marriage.** | Two-parent families receive AFDC if one or both parents of the child are unemployed.<br><br>***"Unemployed" means:***<br>Δ "work history" (recent connection with labor force)<br>Δ working less than 100 hours per month, regardless of how low the income is<br>Δ <u>one</u> parent conducting a job search | ***Marriage is not encouraged because:***<br>• policy requirements for two-parent families are more restrictive than those for single-parent families<br>• Two-parent families who have no income, shelter or food may still not qualify for AFDC due to policy requirements | ***The proposed changes will:***<br>• eliminate work history which punishes two-parent families who have no income<br>• eliminate the 100-hour rule<br>• both parents must participate in job search activities | ***Marriage or reunification barriers are removed because:***<br>• the family's AFDC eligibility w[illegible] be soley based on income and assets<br>• parents could work more hours as long as income remains within AFDC limits<br>• two-parent families having little or no income can get on their<br>• <u>both</u> parents would participate in job search activities, increasing chances of employment for both<br>• Self-sufficiency would be obtained more quickly should both pa[illegible] become employed |

| INITIATIVE | CURRENT POLICY | WHY IT DOESN'T WORK | NEW POLICY | WHY IT WOULD WORK |
|---|---|---|---|---|
| **D. Work Transition Period** | • net wages are deducted from AFDC grant as early as the first month wages are received<br><br>*Example*<br>Jul: parent begins work<br>Aug: parent receives first check<br><br>Start using income for AFDC as of August | ***Discourages working because:***<br>• inadequate time to adjust to working<br>• no money to cover up-front work expenses<br>• fear of immediate loss of welfare benefits | • under- or unemployed person's wages would be exempt for first four months of work<br><br>*Example*<br>Jul: parent begins work<br>Aug: parent receives first paycheck<br><br>Start using income for AFDC as of November | ***Encourages working because:***<br>• no fear of immediate loss of welfare benefits<br>• more money available for i[illegible]s needed when first starting a job (i.e.: clothing, equipment)<br>• provides time to adjust to working |
| **E. Retrospective Budgeting on Terminated Income** | • uses income from two months prior to determine the AFDC grant for the current month | ***Discourages working because:***<br>• continues to use income to determine AFDC eligibility that stopped two months ago<br>• does not reflect clients' current income<br><br>*Example: Mother & 2 Kids*<br>Family's income stops in May; no income in June. May income determines July AFDC grant and June's determines Aug. Family will not receive full grant until August.<br><br>$200 Income May → $226 AFDC Jul<br>$0 Income Jun → $426 AFDC Aug | • stops using terminated income as of first month without income<br>• uses current month's income to determine AFDC grant<br><br>*Example: Mother & 2 Kids*<br>Month / Income / AFDC<br>Jul / 200 / 226<br>Aug / 0 / 426<br>Sep / 0 / 426 | ***Encourages working because:***<br>• stops using terminated income as of first month without income<br>• reflects client's current income<br>• encourages families to start work, including short-term employment<br>• relieves the family's worry [illegible] how to survive should income end |

| INITIATIVE | CURRENT POLICY | WHY IT DOESN'T WORK | NEW POLICY | WHY IT WOULD WORK |
|---|---|---|---|---|
| **TRANSITIONS TO WORK** | | | | |
| E. Retrospective Budgeting on Terminated Income (cont.) | | • denies critical assistance at the time the family is most in need<br>• discourages clients from taking even seasonal work because of worry of how to survive should their income end | | |
| F. Exempting Interest Income and Individual Development Accounts (IDAs) | • monthly interest is counted as income, reducing the AFDC grant<br>• IDAs do not exist | • Saving is not encouraged<br>*Example*<br>A monthly interest amount of 5¢ reduces the AFDC grant by $1, reducing the grant by more than the interest earned | • Exempt interest income and IDA deposits | ***Saving is encouraged because:***<br>• AFDC benefits are not affected by interest income or IDA deposits<br>• Larger sums of money may be saved by clients |

| INITIATIVE | CURRENT POLICY | WHY IT DOESN'T WORK | NEW POLICY | WHY IT WOULD WORK |
|---|---|---|---|---|
| **ASSETS AND SAVINGS ACCUMULATION**<br>**A. Assets** | | | | |
| 1) Real Property & Liquid Assets | 1) $1000 in equity value for both real property and liquid assets | ***1) The limit is unrealistic because:***<br>• it has not kept up with inflation<br>• clients often dispose of assets to secure income through AFDC in times of need<br>• prevents financial stability<br>• financial instability may cause family dysfunction | ***1) increased assets would be:***<br>• $2000 for applicant families<br>• $5000 for recipient families | ***(1) Increased asset limits contribute toward family stability because:***<br>• disposal of family resources won't be necessary to qualify for AFDC<br>• increased resources improve chances for family self-sufficiency<br>• increased limits may provide savings for better-quality vehicle so client can work or go to tr ng |
| 2) Individual Development Accounts (IDAs) | 2) IDAs do not exist | | 2) IDAs are exempt as assets for both applicant and recipient families | 2) IDAs would allow savings f<br>• education<br>• home ownership<br>• emergencies<br>• business start-up<br>IDAs make it possible for clients to plan for the future |

| INITIATIVE | CURRENT POLICY | WHY IT DOESN'T WORK | NEW POLICY | WHY IT WOULD WORK |
|---|---|---|---|---|
| ASSETS AND SAVINGS ACCUMULATION (cont.)<br><br>(3) Tools-of-the-Trade for Self-Employed | 3) tools-of-the-trade (capital assets) not exempt for self-employed | 3) self-employed families may need to dispose of capital assets to qualify for AFDC when business profits are low<br><br>• impedes family's ability to regain self-sufficiency | ***3) exempt tools-of-the-trade for the self-employed.*** | ***3) Exempting tools-of-trade allows families to:***<br><br>• keep assets to continue liveli while qualifying for AFDC when business profits are low<br><br>• encourages self-employment a way to self-sufficiency |
| (4) Motor Vehicles | 4) $1,500 equity exemption for one family vehicle.<br><br>If two or more vehicles are owned, their equity is counted toward the AFDC resource limit.<br><br>*Example*<br>Mom & working teen each own a car.<br><br>Mom's Car / Teen's Car<br>Equity: $2000 / $ 700<br>Exempt: (1500) / (0)<br>$ Toward Asset Limit: $ 500 / $ 700<br><br>Family does not qualify because $1,200 equity exceeds $1,000 asset limit, even if family has <u>no</u> income | ***Family stability is not created because:***<br><br>• $1,500 exemption is obsolete, and causes purchase of unreliable vehicles<br><br>• unreliable vehicles create barriers for obtaining and retaining job<br><br>• unreliable vehicles require costly repairs | ***Raising vehicle equity exemption to $3000 allows:***<br><br>If parent and working teen each own a vehicle, both vehicles would be allowed the $3,000 exemption<br><br>*Example*<br>Mom & working teen each own a car<br><br>Mom's Car / Teen's Car<br>Equity: $2000 / $ 700<br>Exempt: (3000) / (3000)<br>$ Toward Asset Limit: 0 / 0<br><br>This family would qualify for AFDC and would have reliable transportation | ***Increased exemption would allow for:***<br><br>• reliable transportation which is crucial to become and remain employed<br><br>• owning better-quality, lower maintenance vehicles<br><br>• reliable transportation for fi ies to:<br><br>Δ attend to emergencies<br>Δ get family members to school<br>Δ get kids to babysitter<br>Δ get family members to doctor<br>Δ attend school activities<br>Δ get kids to their jobs<br>Δ meet the family's day-to-day<br><br>• owning a reliable vehicle is vital to achieve independence |

| *INITIATIVE* | *CURRENT POLICY* | *WHY IT DOESN'T WORK* | *NEW POLICY* | *WHY IT WOULD WORK* |
|---|---|---|---|---|
| CLIENT RESPONSIBILITIES<br>A. Work Requirements | AFDC-Unemployed Parent program applicants must participate in Department of Employment Services (DES) job search, counselling and training services to receive benefits | Not applicable | Continue current policy | ***Providing employment-related services can lead to:***<br>• the parent finding work quicker<br>• shorter period on AFDC<br>• the parent becoming employed before AFDC approval, eliminating the need for AFDC<br>• total self-sufficiency |
| B. Social Contract | • participation in AFDC is limited only by age of youngest family member<br>• families leave AFDC when:<br>Δ resources or income are above program limits<br>Δ changes in household composition<br>• AFDC families participate in PROMISE JOBS except:<br>Δ youngest child is under 3<br>• AFDC families may be sanctioned for nonparticipation in PROMISE JOBS with no loss of eligibility | • AFDC clients have no sense of urgency in developing self-sufficiency plans<br>• income and resource guidelines discourage employment and developing assets | ***Social contract policy would:***<br>• create a contract between client and agency for receiving AFDC<br>• develop a self-sufficiency plan for the family, including one or more of the following components:<br>Δ 29 work hours or less per week<br>Δ PROMISE JOBS or other training or educational programs<br>Δ active job search<br>Δ FaDSS<br>Δ work experience placement<br>Δ volunteer community involvement<br>• set a contract termination date for receiving AFDC | • social contract for AFDC is t limited<br>• makes AFDC client prepare a plan for leaving public assistance<br>• helps AFDC families reestablish maintain connections with their community and the job market<br>• leads to quicker family self-sufficiency and the ability to r n self-sufficient<br>*People exempted from social contract:*<br>• parents with child under six<br>• working 30+ hours per week<br>• disabled |

| INITIATIVE | CURRENT POLICY | WHY IT DOESN'T WORK | NEW POLICY | WHY IT WOULD WORK |
|---|---|---|---|---|
| OTHER WELFARE RELATED PROGRAMS<br>A. PROMISE JOBS | Provides training, education and work opportunities to persons on AFDC to help families gain self-sufficiency | Current state funding results in federal match below the federal dollar cap<br><br>AFDC clients who need work and training services are not served | ***Increased state funding would:***<br>• pull down more federal match<br>• open more PROMISE JOBS slots<br>• reduce unmet need by 57% | ***PROMISE JOBS serving clients would:***<br>• allow more clients to become self-sufficient<br>• result in long-term cost savings<br>• help clients keep work skills up-to-date |
| B. Family Development Self-Sufficiency Program (FaDSS) | • provides annual grants to public or private not-for-profit agencies<br>• agencies target AFDC families at risk of long-term welfare dependency and provide additional services to help them to self-sufficiency | • FaDSS is geographically limited<br>• FaDSS is limited in funding<br>• FaDSS reaches 1/10 of AFDC families who are at risk of long-term AFDC dependency | • incrementally move towards full funding of FaDSS<br>• make FaDSS available statewide to all families meeting criteria | • enlarges number of AFDC families who can participate in target gı pı<br>• decreases the number of target families becoming long-term welfare dependent<br>• speeds up the time table for "at-risk" families to leave AFDC |

***Current SFY Service Levels***

| | # Needing Service | Will Serve | Unmet Need |
|---|---|---|---|
| Orientation | 12,000 | 7,000 | 5,000 |
| Asses./JC | 7,000 | 4,000 | 3,000 |
| GED/ABE/ESL/H.S. Completion | 4,505 | 2,315 | 2,190 |
| Class. Train. | 6,195 | 3,185 | 3,010 |
| Work Exper. | 1,407 | 1,000 | 407 |
| JTPA only | 340 | 340 | — |

| | Add'l Served | Total Served | U |
|---|---|---|---|
| Orientation | 2,135 | 9,135 | 2, |
| Asses./JC | 1,281 | 5,281 | 1,71 |
| GED/ABE/ESL/ H.S. Comp. | 935 | 3,250 | 1,25 |
| Class. Train. | 1,285 | 4,470 | 1,725 |
| Work Exper. | 174 | 1,174 | 233 |
| JTPA only | — | — | — |

| INITIATIVE | CURRENT POLICY | WHY IT DOESN'T WORK | NEW POLICY | WHY IT WOULD WORK |
|---|---|---|---|---|
| OTHER WELFARE RELATED PROGRAMS (cont.) | | | | |
| C. Transitional Child Care (TCC) | • provides 12 months of child care after AFDC ends<br>• client's copayment is based on client's income<br>• client must request service | • potentially eligible families do not request TCC and deprive themselves of this valuable service<br>• without TCC, the family may not be able to remain self-sufficient due to child care costs<br>• requires a cumbersome quarterly review<br>• forms are too complicated<br>• cumbersome pay rate calculations | • automatically determine eligibility after AFDC ends<br>• extend TCC to 24 months<br>• eliminate quarterly review<br>• base copayment on percentage of total child care cost<br>• gradually increase copayment amount | • all potential eligibles would participate<br>• eliminates cumbersome review/ forms/calculations<br>• may encourage more providers to participate<br>• uninterrupted child care helps client stay employed and not return to AFDC<br>• subsidized child care greatly reduces cost to family<br>• allows needed time to move out of poverty |
| D. Other Child Care Programs | • clients must apply for other child care programs when:<br>Δ TCC stops<br>Δ not eligible for TCC after AFDC stops | • potential eligibles may not apply<br>• may interrupt child care arrangements<br>• may return to AFDC if child care is interrupted | Automatically determine eligibility for any other child care program when:<br>• TCC stops<br>• AFDC stops but not eligible for TCC | • all potential eligibles would participate<br>• would ensure uninterrupted child care<br>• essential to return to self-sufficiency<br>• subsidized child care greatly reduces costs to family<br>• allows time needed to move of poverty |

THE WHITE HOUSE

WASHINGTON

April 18, 1993

MEMORANDUM FOR KATHI WAY

FROM: Carol H. Rasco CHR

SUBJECT: Welfare Reform

I am forwarding to you a two-page summary of program in Ohio along with a business card of a gentlemen who gave me the two pages at a recent speech I made to the National Community Agency Foundation. As I was leaving the speech, he gave me this and said he would certainly like to talk to someone about the program in relation to our Welfare Reform effort. Would you please give him a call or drop him a note to let him know the material has been passed along and do whatever you wish from there.

Thank you.

## Advanced Data Control, Inc.: A Model for Job Creation, Welfare Reform and Medicaid Cost Reduction

*Advanced Data Control, Inc. is a private nonprofit corporation established in the State of Ohio to create long term employment opportunities for Belmont County residents who are recipients under the Aid to Dependent Children (ADC) program. The development of the corporation was a collaborative effort by local Belmont County agencies including the Department of Human Services, the Job Training Partnership Office, Belmont Technical College, the Ohio Bureau of Employment Services, the Department of Development, and the Community Action Commission. In addition to the local agencies, a private sector company is involved in the project, and a local banker is a member of the Board of Trustees. This group initiated the start up of a data management company using seed money from a grant program sponsored by the Ohio Department of Human Services and the State Department of Development.*

*The grant allowed for the procurement of software, equipment, space and supplies. A pool of trainees selected from the ADC rolls attended a data entry curriculum designed by Belmont Technical College. The major marketing effort focused on securing a two year no-bid contract to process medicaid claims for the Ohio Department of Human Services (ODHS). ODHS indicated that the department had a backlog of claims processing work that would result in payment of a federally mandated penalty for late processing of provider claims. Advanced Data Control, Inc. could perform the backlogged processing work allowing ODHS to realize medicaid savings by avoiding the late penalty while providing ADC recipients employment at a wage that would allow them to become self sufficient. Proceeds from the contract would allow the corporation to expand into other areas of business and ultimately spin off as a private for profit enterprise owned by the employees.*

*Negotiations with the Ohio Department of Human Services began mid-year 1991. Initial reaction was favorable. In fact, a contract was signed between the County, the State Departments of Human Services and Advanced Data Control. The dollar amount of the contract required that it be approved by the State Controlling Board. The item was set for the Controlling Board agenda but discussion by the Board was postponed several times in the period from March to August of 1992. In the end, the contract was never approved, or to our knowledge discussed by the controlling board. Repeated attempts to ascertain the reasons resulted in no clear explanation. In September of 1992, a representative of ODHS met with corporation representatives and cited concerns about potential job losses among existing state data entry operators and procurement law provisions which pertained to work contracted by the State of Ohio. Advanced Data Control never intended to displace any worker in any part of the state or country. It is our desire to help decrease welfare rolls, not shift the burden to another area.*

*The failure to obtain the contract was a setback to the future plans and visions of the corporation. Thirty welfare recipients had trained for countless hours in the hope of obtaining employment. Many had been with the project since its inception. The corporation is currently marketing itself to the private sector and continues to seek government contracts. Work that can be performed by a corporation such as ours is not being done at a cost to government. Training for the recipients has been expanded to develop word processing and spreadsheet competency. We have been successful in securing some business which has allowed for part time employment for six ADC recipients.*

*The Board of Trustees of Advanced Data Control and the collaborating agencies remain committed to the concept of enabling welfare recipients to become independent of the system. We are convinced that our approach, our efforts and our goals, given the proper impetus and continued financial support can have merit on a national basis in the area of job creation and welfare reform. We have successfully demonstrated:*

* *The unquestionable desire of many welfare recipients to become economically independent.*

* *Initiative in the area of medicaid cost reduction.*

* *Elimination of costly duplication of effort by the continued coordinated involvement of several local organizations.*

* *Creative use of grant programs targeted for ADC recipients.*

* *Partnership between the public and private sectors in efforts to create jobs in a severely depressed area.*

*We are currently seeking additional work in data entry, data capture, and word processing. We are also seeking additional funding to support the corporation until it can secure enough business to stand on its own. If you are interested in finding out more about us please contact Lyn Williams at 1-800-598-2086.*

COMMUNITY ACTION COMMISSION OF
BELMONT COUNTY, INC.
68323 BANNOCK RD. · COURTHOUSE ANNEX
ST. CLAIRSVILLE, OHIO 43950

GARY F. OBLOY
EXECUTIVE DIRECTOR

PHONE: (614) 695-0293

DEPARTMENT OF HEALTH AND HUMAN SERVICES
**Administration for Children and Families**
**Washington, D.C. 20447**

**Office of the Assistant Secretary**

Kathi W -

Attached are program descriptions of Project Match in Chicago and New Hope in Milwaukee. Howard Rolston's staff is preparing some further info on a range of other possible sites for Working Group visits that may be helpful to you as well.

—Jeremy

Draft 5/19/93

## Overview of Project Match

Since 1985 Project Match has operated as a research and service welfare-to-work program committed to working with people unlikely to succeed in the job market on their own. To date the program has worked with more than 730 residents of the Cabrini-Green community in Chicago, one of the most economically disadvantaged areas in the country. The service site is located at the Winfield/Moody Health Center, within walking distance of the Cabrini-Green Housing Development. Until recently the research component of the program was located at Northwestern University's Center for Urban Affairs and Policy Research; in the past year it also affiliated with the Erikson Institute. In 1988 Project Match was an award winner in the Innovations in State and Local Government program of the Ford Foundation and Harvard University.

For seven years Project Match has committed itself to two interrelated goals: (1) to operate as an "urban laboratory" for developing and refining good welfare-to-work practice, and (2) to study and increase the understanding of the process of leaving welfare and to share the lessons learned with a wide policy audience. At the Cabrini service site a model program has been created that is grounded in the understanding that leaving welfare is long and difficult process, and not a one-step event about getting a job. Project Match has learned that the long-term perspective pays off. It studied the gains achieved by 259 participants in Project Match for three or more years and found that they made incremental but meaningful improvements during each year of program participation. The average number of months worked increased by about one month each year, and hourly wages increased 23% between year one and year three.

The policy research and dissemination component of Project Match has enabled it to spread the program's philosophy to more people than it can serve directly. Program lessons and materials have been shared with a broad audience of people who shape policies and programs -- legislators, administrators, practitioners, employers, advocates, foundation staff, and researchers. Through research reports, conference presentations, media coverage and site visits, this diverse group of "actors" is learning about the kinds of problems welfare recipients experience in leaving welfare (e.g., difficulty keeping a job) and the kinds of supports they will need to make a permanent attachment to the work force.

# Overview of Project Match Model

## A. PROGRAM PHILOSOPHY

Project Match is grounded in the understanding that the path out of the welfare system and persistent poverty is long and rough for disadvantaged families. Project Match's goal is to link people with existing resources, in this way building bridges so those with little prior work experience can enter the work world. Program counselors provide intensive and individualized case management. Rather than relying on participants to call, staff initiate regular contact and use a battery of techniques to find participants. We help people overcome roadblocks, such as finding child care, obtaining adequate housing, or resolving a disagreement with an employer. Incremental achievements, whether enrolling in a basic education course or working for a year, are identified and celebrated through office bulletin boards, a quarterly newsletter, and recognition parties. As a demonstration program, Project Match is also committed to policy research and dissemination so lessons learned can benefit a wide audience of policy makers and program planners.

## B. POPULATION SERVED:

Project Match is committed to working with people who are unlikely to succeed in the job market on their own. Most clients live in the Cabrini-Green public housing project and its surrounding area. The majority of clients are African American (99%), female (77%), and unmarried (95%). Sixty percent of clients are age 25 and under. Most clients are parents (72%). Only 55 % of clients came into the program with prior work experience, and over half (58%) also grew up in a home supported by welfare.

## C. GOALS AND OBJECTIVES:

*Goal 1: Long-range (3 to 4 years) service goal: Move participants toward stable employment and economic self-sufficiency.*

**INTERMEDIATE OBJECTIVES:**

- Place participants in jobs, training, and/or education programs.
- Help participants keep their jobs.
- Help participants complete training and education programs and move on to employment.
- Help participants who lose jobs become reemployed.
- Help participants advance to better jobs when they are ready.

*Goal 2: Document the process of leaving welfare and move Project Match lessons to a wider audience.*

**INTERMEDIATE OBJECTIVES:**

- Collect month-by-month participant placement information to understand the employment needs of disadvantaged families and to identify possible routes to self-sufficiency.
- Develop, implement, and assess service strategies that respond to participant needs.
- Disseminate lessons to program administrators, legislators, foundations, direct service providers, advocates, and researchers.

# THE NEW HOPE PROJECT

**Milwaukee's experiment in offering low-income adults--as an alternative to welfare and neglect--the help they really want:**

**. access to employment**

**. work that pays**

**. affordable child care and health care.**

# THE NEW HOPE PROJECT

**1. What is the goal of the New Hope Project?**

The primary goal of the New Hope Project is to demonstrate to leaders, policy makers and citizens that there is a better, more humane, more cost-effective way to deal with poverty and joblessness than the current welfare system. We want this unique project to lead to changes in federal and state policies.

**2. How will it be accomplished?**

This demonstration project will offer a real alternative to welfare, unemployment and under-employment. It will offer a new social contract to 600 people in two central city Milwaukee neighborhoods by providing:

a) access to jobs in the private sector;
b) community service jobs if no job can be found in the private sector;
c) wage supplements, if necessary to bring family's income above the poverty line;
d) health care and child care subsidies up to 200% of poverty.

**3. Who is the target population?**

a) People currently on welfare
b) People who are unemployed, but not on welfare
c) People working, but still poor

**4. What will it cost?**

The total cost is $6 million per year for three years, for a total cost of $18 million. Of this, $1 million is allocated to the cost of a professional, in-depth evaluation. Funds are being sought from the following sources:

- 50/50 public/private split;
- $4.5 million from GPR in 1991-1994;
- $5.0 million from state and federal programs for post- AFDC medical care and new programs for at-risk families needing child care subsidies;
- $4.5 million from local foundations and corporations;
- $4.5 million from national foundations and corporations.

**5. What questions will the evaluation answer?**

a) Will people currently on public assistance respond to the opportunity to work when disincentives are removed?
b) Are there a sufficient number of jobs within the private sector?
c) Can community service jobs successfully fill any gaps between available private sector jobs and low-skilled unemployed individuals?
d) Do more people achieve economic self-sufficiency through the New Hope Project than through other means?
e) How does the cost of the New Hope Project compare to what is currently spent in direct and indirect costs for social welfare?

**6. How is the New Hope Project governed?**

The Project was initially developed by Congress For a Working America. It has now been incorporated with a separate Board of Directors who work within a committee structure. The Board has representatives from the business, labor, educational, and religious communities, as well as representatives of people directly affected by poverty and government. Mr. Thomas Schrader, President and CEO of Wisconsin Gas, is the Board President.

**7. How is this Project different from existing state and federal welfare reform efforts?**

The New Hope Project shares the goals of economic self-sufficiency with existing efforts, but goes beyond them in 3 ways:

- it guarantees access to a job;
- it removes categorizations of who the poor are, and thereby gets around some of the more perverse disincentives of the current system;
- it links subsidies to income level, rather than creating drop-off-the-cliff scenarios when the 6 or 12 month limit is reached.

# Members of State and Local Task Force on Welfare Reform

## Governors

The Hon. Jim Florio, Chairman
Governor
State House
CN 001
Trenton, NJ 08625

The Hon. Zell Miller
Governor
State Capitol
Atlanta, GA 30334

The Hon. Brereton C. Jones
Governor
State Capitol
700 Capitol Ave.
Frankfort, KY 40601

The Hon. John Engler
Governor
PO Box 30013
Lansing, MI 48909

The Hon. Tommy G. Thompson
Governor
State Capitol
PO Box 7863
Madison, WI 53707

## US Conference of Mayors

Elizabeth D. Rhea (R)
Mayor
155 Johnston Street
Rock Hill, SC 29730
Phone: (803) 329-7011
Fax: (803) 329-7007

## APWA Members

Russell Gould
Secretary
Health and Welfare Agency
1600 Ninth St., Room 460
Sacramento, CA 95814

Larry D. Jackson
Commissioner
Department of Social Services
8007 Discovery Drive
Richmond, VA 23229

Kevin Concannon
Director
Department of Human Resources
500 Summer St., N.E.
Salem, OR 97310-1012

## NCSL Members

Senator James Lack (R)
Room 612
Legislative Office Bldg.
Albany, NY 23357

Representative Jane Campbell (D)
Riffe Center, 13th Floor
77 South High St.
Columbus, OH 43266-0603

## National League of Cities

Donald Fraser (D)
Mayor
350 S. 5th St., Room 331
Minneapolis, MN 55415
Phone: (612) 673-2100
Fax: (612) 673-2305

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| To Jim Mason | From Bullen |
|---|---|
| Co. | Co. |
| Dept. | Phone # |
| Fax # | Fax # |

National Association of Counties

Kay Beard (D)
Commissioner
Wayne County
726 City-County Bldg.
600 Randolph Street
Detroit, MI 48226
Phone: (313) 224-0902
Fax: (313) 224-1881

Michael Pappas (R)
Freeholder
Somerset County
PO Box 3000
Somerville, NJ 08876
Phone: (908) 231-7030
Fax: (908) 707-4127

Governors' Designees

Brenda J. Bacon
Chief
Office of management & Planning
Office of the Governor
Trenton, NJ 08625-001
Phone: (609) 777-2207
Fax: (609) 392-6193

Jim Ledbetter
Commissioner
Department of Human Services
47 Trinity Ave.
Atlanta, GA 30334
Phone: (404) 656-5680
Fax: (404) 651-8669

Ed Kilgore
Director of Intergovernmental Relations
Governor's Office
State Capitol, Room 245
Atlanta, GA 30334
Phone: (404) 651-7768
Fax: (404) 565-5947

Governor's Designees (continued)

Mike Robinson
Commissioner
Department for Social Insurance
275 East Main, Three West
Frankford, KY 40621
Phone: (502) 564-3703
Fax: (502) 564-6907

Gerald Miller
Director
Department of Social Services
PO Box 30037
Lansing, MI 48909
Phone: (517) 373-2000
Fax: (517) 373-8471

Gerald Whitburn
Secretary
Department of Health and Social Services
One West Wilson Street
Madison, WI 53707
Phone: (608) 266-9622
Fax: (608) 266-7822

# Welfare Restructuring in Vermont

Many of the welfare restructuring elements proposed for Vermont in 1991 tie in with the expressed goals of the current administration for welfare reform. The major elements in the Vermont plan include:

Making ANFC a transitional program, with time-limited benefits and a parental work requirement:

> After 30 months of receiving ANFC benefits, a single parent with children under 13 will be required to find half-time work or accept a subsidized community-service job (wages to be paid by diverting the ANFC grant). When the youngest child turns 13 the work obligation becomes full time. An unemployed parent in a two-parent family will be required to work after 15 months on ANFC. Those unable to find work on their own at the end of the time limit will be offered subsidized community service jobs. Reach Up (Vermont's version of JOBS) will be expanded to prepare more ANFC clients for the transition from welfare to work.

Intervening early with individualized plans and casework support:

> More resources will be targeted to preventive services for ANFC families with very young children. Families will receive individualized case management services, making self-support goals more realistic.

Giving families more control of their lives:

> Families will be allowed to keep the first $150 of their earnings, plus 25 percent of the remainder before their ANFC grants are reduced. Child support payments will go directly the family. Working families will be able to choose cash instead of Food Stamps. The 100-hour rule will be dropped. The value of one car per family will be excluded when determining benefit eligibility.

Providing opportunity:

> Use of state and federal Earned Income Tax Credits will be encouraged. DSW will collaborate with other state agencies to develop "one-stop employment counseling centers." Parents with temporary disabilities will participate in rehabilitation and training programs. DSW will work with local organizations to develop community service jobs.

# The Context for Welfare Reform in Vermont

Vermont has a record of providing generously for low-income families. Its infrastructure in this area and its openness to progressive change make Vermont an ideal laboratory for the kind of welfare innovation President Clinton has outlined.

Vermont last year expanded Dr. Dynasaur, which provides health care insurance for children, to cover children up to 18. Eligibility is 225 percent of the federal poverty line.

Reach Up, the state's version of JOBS, is a successful program that has received wide support and forms the centerpiece of Vermont's plan to time-limit ANFC participation.

Since 1991 Vermont has mandated universal wage withholding in child support payments.

Vermont offers low-income working families a seamless transition from transitional child care under Reach Up to a scaled-fee child care program under the auspices of the Department of Social and Rehabilitation Services.

Vermont has a family-friendly tax system, including a state-funded income tax credit based on the federal EIC. Vermont also provides sales tax rebates and rebates for low-income renters.

Vermont's social service system is a partnership of public and private nonprofit agencies, including a unique network of parent-child centers.

In addition to its healthy social service infrastructure, support for welfare reform overall and the current proposal in particular is high across the state. Legislators overwhelmingly support the package proposed by Governor Dean. Last year the House of Representatives voted it out by a margin of 126 to 7, and this year the Senate approved a slightly modified version of the proposal, 25 to 5.

Howard Dean, M.D.
Governor

State of Vermont
Office of the Governor
Pavilion Office Building
Montpelier, Vermont 05609
(802) 828-3333

March 30, 1993

Ms. Kathryn Way
Special Assistant to the President
for Domestic Policy
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Kathy:

Thank you very much for the generous time you gave us when we visited.

We would very much like to be the first state to receive welfare waivers under the Clinton Administration. You will find that there is a uncanny fit between the overall program of support and obligations that we have proposed and the features espoused by President Clinton in his public statements.

I strongly believe that to proceed with Vermont's waivers quickly will serve to help the President as he begins the long tough battle to restructure welfare programs across that nation, particularly regarding issues related to creating fair and meaningful applications of time-limited features.

As I indicated, this is the highest priority for my administration during our current Vermont legislative session. Timely waivers would assure that we can deliver a welfare program that will help many Vermonters, and be of significant assistance to the President.

We are looking forward to hearing from you. Thank you for your help.

Sincerely,

Howard Dean, M.D.
Governor

HD/clc

Welfare REFORM

MISSOURI
DEPARTMENT OF SOCIAL SERVICES
P.O. BOX 1527
BROADWAY STATE OFFICE BUILDING
JEFFERSON CITY, MO 65102-1527
314-751-4815, FAX: 314-751-3203
TDD: 1-800-735-2966, VOICE: 1-800-735-2466

MEL CARNAHAN
GOVERNOR

GARY J. STANGLER
DIRECTOR

April 9, 1993

Kathi Way
Special Assistant to the
President for Domestic Policy
The White House
Washington, DC

Dear Kathi:

Belatedly, I want to thank you for spending time with those of us from APWA and NGA regarding our plans for welfare reform.

I want to share some information regarding focus group and polling data we recently released as a prelude to the National Summit on Children and Families. As you can tell from the summary, families have clear ideas on what they want from government, and comments regarding local solutions and family preservation and removal of children from families are striking. Also, their support for one-stop shopping and integrated services are noteworthy.

I am also leading an effort in APWA to conduct focus groups and additional research on welfare reform which I hope will be useful.

Please feel free to call upon Missouri for help at any time. Best personal wishes for success in your new role.

Sincerely,

Gary

Gary J. Stangler
Director

GJS/meh