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**Written Testimony of Cynthia Dungey
Director
Ohio Department of Job and Family Services
U.S. House Ways and Means Committee
Subcommittee on Human Resources**

Chairman Boustany, Ranking Member Doggett, and members of the committee:

Thank you for the opportunity to submit testimony to help inform the committee's consideration of welfare reform and legislation to reauthorize the Temporary Assistance for Needy Families (TANF) program. As the director of Ohio's Department of Job and Family Services, I am responsible for managing a number of vital programs that directly impact the lives of Ohioans who rely on TANF, the Supplemental Nutrition Assistance Program (SNAP), job training and employment services, child care, unemployment insurance, child welfare and adoption, adult protective services, and child support programs. Our mission is to improve the well-being of Ohio's workforce and families by ensuring the safety of Ohio's most vulnerable citizens, and promoting long-term self-sufficiency.

A job is the best anti-poverty program, yet too many individuals are trapped in a cycle of poverty. As the economy continues to improve, we cannot afford to have a significant portion of our population in the shadows. Helping these families find meaningful employment is both an economic issue and a moral obligation. In May, Ohio's unemployment rate was 5.2 percent and OhioMeansJobs.com, the state's online job bank, listed more than 206,000 help wanted ads. However, too many Ohioans are unable to take advantage of the improving economy. Nearly 24,000 Ohioans drop out of

high school every year, increasing the likelihood they will not obtain the skills necessary for sustainable employment. At the same time, others struggle to find reliable transportation, stable housing and affordable child care.

Accountability and personal responsibility are important cornerstones of the TANF program and fully embraced by Ohio. In recent years, the state has worked diligently to improve our work participation rate and provide job training and work experiences to adults receiving cash assistance. Ohio's all-family work participation rate improved from 25 percent in December 2010 to 58 percent in March 2015. In addition, the state has increased investments in work support programs, including expanding access to child care assistance for families up to 300 percent of the federal poverty level. We've worked within the rubric of the current system, but simply meeting the work participation rate isn't indicative of actually getting people jobs or the education they need to be successful in the workforce. The next crucial step is ensuring that TANF recipients overcome barriers to employment and develop the in-demand skills local employers seek.

As a county-administered state, with 88 counties representing urban, rural and suburban communities, Ohio is a microcosm of the nation and the perfect laboratory for a new way to work – a new approach to the challenges facing low-income and chronically unemployed individuals.

A New Way to Work

Ohio Governor John Kasich recently signed into law the state's biennial budget, which includes an unprecedented focus on helping Ohioans rise up and out of poverty

and into jobs. The Governor has established a statewide framework that will transform the network of human service and workforce programs to find a *New Way to Work* for the more than 1.8 million Ohioans in poverty, starting first with 16- to 24-year-olds, where early intervention can have the greatest impact.

Ohio is ending the siloed, fragmented approach that for far too long treated “symptoms” of poverty instead of seeking a cure for the underlying challenges faced by low-income Ohioans. We are pushing traditional program boundaries by integrating components of the Ohio Works First TANF program with employment programs under the newly reauthorized Workforce Innovation and Opportunity Act (WIOA) to create a better coordinated, person-centered case management system. The state’s Comprehensive Case Management and Employment Program will provide an individualized employment plan appropriate to each person’s unique needs in order to remove barriers and make stronger connections to employment. This strategy leverages the strengths of both the workforce and human services systems in a way that focuses on people, not programs.

A number of states and localities have experimented with reforms to better integrate services and align the workforce system to address the needs of TANF recipients and other low-income workers. Lessons learned, highlighting both the benefits and challenges of these initiatives, are well documented. However, Ohio is embarking on this reform in the new era created by WIOA.

WIOA reauthorized national workforce programs for the first time in 16 years and set the stage for a new round of state and local innovation. The law provides opportunities for employment and training activities to be extended to TANF recipients

and for developing innovative, job-driven programs that align services across the TANF and workforce systems. For example, TANF is now a required partner in the local one-stop workforce system, and there is an increased focus on serving low-income individuals with barriers to employment, including out-of-school youth and individuals receiving public assistance. This increases the overlap between targeted populations under both WIOA and TANF.

As we approach the 20th anniversary of the passage of the Personal Responsibility and Workforce Opportunity Act (PRWORA), there is a similar opportunity to make changes to the TANF program to give states flexibility to integrate services and improve employment outcomes for recipients.

Obstacles to Success

From a TANF perspective, there are two major obstacles to TANF-WIOA coordination: 1) Work participation rates are process measures focused on attendance, not outcomes, and 2) strict federal rules, not individual needs, drive work activities.

Rules governing federal work participation requirements have become overly prescriptive and have fundamentally distorted the way caseworkers interact with TANF clients. Federal law holds states accountable for meeting work participation rates, but that accountability has a ripple effect and impacts decisions individual caseworkers make about activities to which TANF clients are assigned. Instead of spending time identifying what clients need and how to get them employed, caseworkers are incentivized to manage to a process to meet the rate. One caseworker I spoke with referred to the work participation rate as a “numbers game.” Another caseworker said

every once in a while he will “take a kick in the teeth” on work participation to do the right thing for a client. Understanding clients’ complex problems and helping them build a path forward is a human-resource-intensive activity. High-quality interactions between caseworkers and clients are the linchpin to identifying barriers and helping individuals become work-ready. Policies that require caseworkers to do mathematical gymnastics to match countable hours to assigned activities are counterproductive and waste a precious resource: their time.

Work participation rules also have led to a proliferation of work experience programs, many of which unfortunately amount to sheltered workshops where clients are given menial tasks disconnected from the skills needed in the job market. Taxpayer dollars are being used to pay outside contractors that specialize in developing and running these “work experience” programs for the sake of saying a client “worked” for their check and counting them toward the rate. It’s hard to believe such programs were a part of Congress’ original vision for welfare reform in 1996.

Finally, federally prescribed work participation rules provide a strong disincentive for workforce development agencies to work with TANF clients. Navigating the rules around what counts and for how long is simply too burdensome. Instead, workforce agencies are inclined to direct their services toward individuals with more work experience and higher skill levels. In short, the current cookie-cutter approach does not effectively move people into jobs, long-term stability or independence from government assistance.

In order to focus on jobs, Ohio is overhauling our case management system and aligning performance metrics with WIOA. Our standards will not be about an individual’s

core and non-core hours and number of consecutive weeks in an activity. Our standards, and ultimately our success, will hinge on metrics tied to improvements in job entry, job retention, earnings and educational outcomes for low-income Ohioans. The state has been a leader in implanting these measures within many of our workforce programs already.

Recommendations

Ohio is not suggesting that Congress reduce the emphasis on personal responsibility or eliminate minimum-hour requirements for individuals to participate in work activities. Yet, TANF has strayed from its original commitment under PRWORA “to increase the flexibility of states in operating a program designed to achieve the purposes of (the Act)” and “end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage.” To return to that commitment, we recommend changing a number of federal TANF rules that make it difficult to customize case management based on an individual’s employment readiness needs. Specifically, these include the following:

- **Removing the distinction between “core” and “non-core” activities.**

Education and training are important pre-cursors to getting a good job. Removing the distinction between “core” and “non-core” activities allows for an individualized service approach to more effectively move clients toward work. For example, a TANF recipient who needs adult basic education and is required to complete 30 hours of activity may be assigned 10 hours to work on his or her education (a “non-core” activity) and 20 hours to attend a work experience program solely because it

is a “core” activity. Activities are assigned and constructed around counting that person toward the work participation rate, not because they address underlying challenges and needs that will enable them to be successful in the workforce.

- **Increasing the vocational education training time limit from 12 to 36 months.**

Many individuals require remedial education or lengthier support to get a certification or credential they need to meet employer skill requirements. For example, let’s say a TANF work-required mom with an 8th grade education wants to get her GED and become trained as a phlebotomist. If it takes her longer than 12 months to obtain her GED, she already has used up her 12-month allowance for training (basic skills education linked to training counts toward the time limit). The time it takes to go from an 8th grade education to a GED varies. Someone at an eight-grade level might receive 100 instructional hours over an 18-month period and progress one grade level. Another student might receive the same number of hours over six months and progress two grade levels. Extending the time limit allows recipients additional time to get their GED and complete the vocational education training necessary to get a job. This is particularly important in Ohio, where approximately 30 percent of those in poverty who are age 25 and older do not have a high school education. (*Ohio 2014 Poverty Report*)

- **Increasing job search and job readiness time limits from six to 12 weeks, and**

removing the four-consecutive-week limit. The hardest-to-serve individuals require additional time to gain the skills they need to be job-ready. For example, clients may need significant job readiness preparation and soft skills training before they are ready to meaningfully engage in job searching and interviewing with

employers. After spending four weeks on job readiness, they've used up their consecutive-week limits. Arbitrary time limits on job search and job readiness make it harder to successfully connect them to sustainable employment.

- **Removing the 16-hour monthly cap on good-cause hours (but maintaining the 80-hour annual cap) credited toward work participation.** This would provide more flexibility for individuals with situational extenuating circumstances. For example, a mom with children ages 3 and 6 has a high likelihood of being in a situation where one or both children are ill and unable to attend child care or school for more than two days in any given month. Removing the monthly cap would allow that mom to take care of her sick children without negatively impacting her benefit or the state's work participation rate.

A number of these issues are addressed in TANF reauthorization bills under consideration by the committee, in particular the elimination of the distinction between core and non-core activities and increasing the time allowed for job search activities. Ohio supports reforms that enable us to make these changes and that give us more flexibility to tailor our programs and services to successfully move more low-income individuals into work.

Ohio stands ready to work with the committee and its staff to help inform these and other reforms to the TANF program. If you have any questions or would like more details about Ohio's *New Way to Work* initiative, please feel free to contact me directly. Thank you for your time and consideration.

Cynthia Dungey

Director, Ohio Department of Job and Family Services