

COMMENT ON “SUPPORTING WORK FOR LOW-INCOME PEOPLE WITH SIGNIFICANT CHALLENGES”

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Loprest and Martinson provide an overview of the issues related to supporting work and provide relevant background on past research and various strategies that have been employed to address the problem of helping low-income people with significant challenges engage in and sustain employment. They find that there is potential for states to develop strategies for addressing the needs of individuals with significant challenges to work, and based on this assessment they discuss and recommend policy changes on three levels:

- legislative and regulatory changes to existing programs,
- new federal support for programs serving people with multiple challenges, and
- longer-term options.

In my comments, I will focus primarily on the ideas for policy reform posed by Loprest and Martinson from the perspective of someone who shares their concern about the need and who views the issues as a state administrator who must also be mindful of feasibility and implementation challenges.

To begin, I applaud the authors for focusing on a policy goal of employment for low-income parents rather than a proposal that opts out of the difficult task of assisting those with significant challenges. It would be tempting to return to past policies that tended to exclude these parents from work expectations or requirements. This approach would exclude some families from the opportunity to gain both the financial and nonfinancial benefits of employment. Loprest and Martinson have taken the more difficult yet more productive path of working toward solutions to the challenges these parents face.

In the section of the paper discussing legislative and regulatory changes to existing programs, the paper describes changes to the Temporary Assistance for Needy Families (TANF) program and the workforce development system funded through the Workforce Investment Act (WIA).

The TANF changes focus on the work requirements, particularly the current restrictions on job-search and job-readiness activities. The authors propose a longer period for barrier alleviation activities and an enhanced ability to combine work and barrier alleviation. In this recommendation, the authors have a lot of potential allies. Virtually every proposed TANF reauthorization bill considered by the 107th, 108th, or 109th Congress included some version of the policy recommended by Loprest and Martinson. This included the president's reauthorization proposal and bills or proposals put forward by House and Senate Democrats and House and Senate Republicans. Unfortunately, despite the apparent bipartisan and bicameral consensus, the final reauthorization in the Deficit Reduction Act of 2005 continued the long-standing restrictions. This proposal is one of several issues with broad support that should be considered the next time Congress addresses TANF legislation.

The proposal to change WIA to address disincentives in the system to serve individuals with challenges also has considerable merit. Unfortunately, experience has shown that identifying work barriers is often easier to accomplish retrospectively than prospectively. The workforce system would benefit greatly if the researchers could operationalize a weighting system to build appropriate incentives into the workforce performance standards so workforce providers would be rewarded for success in serving parents with intensive needs.

As a member of my state's Workforce Board, my sense is that there would be substantial support for reform to the performance standards to more appropriately reward success with participants with significant challenges. Calibrating the performance standards to apply appropriate weight to the "degree of difficulty" is no small technical challenge, but the benefit would be worth the effort.

One additional program that is not mentioned by Loprest and Martinson is the Food Stamp Employment and Training (FSET) program. Since 1996, this component of the Food Stamp program has been directed toward work requirements for able-bodied adults without dependents. While changes to the Farm Bill in 2002 removed the requirement that 80 percent of FSET funds be directed to able-bodied adults without dependents, funding reductions continue to greatly limit the scope of the program. The Food Stamp program reaches the most low-income families of any direct assistance program and reaches many unemployed and underemployed parents with children. In addition, many parents who have lost connection with the TANF program are receiving food stamps. Revitalization of the FSET component of the program would be a viable strategy for reaching many of the parents that Loprest and Martinson discuss. In Florida, the workforce system administers the TANF work activities, the WIA funded services, and the existing FSET program. Enhancement of FSET, perhaps with a required linkage to workforce agencies, would provide another potential strategy for building on existing programs to better serve parents with barriers to employment.

Legislative and regulatory changes to existing programs would provide some incremental benefit to low-income parents with multiple employment challenges. Loprest and Martinson next propose a new federal funding stream to increase service capacity, promote promising practices, and provide incentives for new partnerships. They propose to use the existing workforce system as the core mechanism with partnership requirements extending to other programs.

As a basic strategy, using the workforce system is certainly consistent with the strategy used in Florida and a number of other states. A slight caution would be that this strategy would sideline the federal agencies and congressional committees with jurisdiction over TANF, Food Stamps, SSI, and other key partners. Consideration should be given to a mechanism to involve these key partners to avoid exacerbating the existing tendency for "stove-piped" funding.

The amount of funding proposed and the amount of required state match is also a concern. In a state or county budget, a billion dollars is a considerable amount of money. Spread across the nation, however, it would have to be distributed selectively to have an impact. Of greater concern is the 50 percent required state match. Many states are facing severe projected shortfalls and would face extreme difficulty in coming up with the matching funds. Past federal efforts to provide enhanced match levels have often provided matching rates from 75 to 90 percent, depending on the program. Examples include Medicaid outreach funds (80 percent), family planning waiver services (90 percent), and the Chafee Foster Care Independence Program (80 percent).

In hard economic times, a 50 percent match rate may generate interest, but it will probably take 80 percent federal funding to make it a feasible endeavor for states.

Finally, Loprest and Martinson turn to longer-term options. They cite several potential approaches to supplement part-time or low-wage employment and approaches to assist families with temporary disabilities or those with limited prior work history. They also describe a need for greater coordination of services.

These are all potentially viable approaches, but in the long run, more fundamental reform may be needed. Sadly, the combination of the failure of TANF reauthorization in 2002 through 2005 and the layering effect of several cycles of regulation has created a TANF program that is gradually becoming “neo-AFDC” with an emphasis on tedious counting of processes and success through clever bureaucratic gaming rather than performance.

I would also advocate for one additional line of research. I suspect that many low-income parents with challenges have, in spite of these challenges, been relatively successful in finding and maintaining employment and increasing their earnings over time. It would be instructive to learn more about the resilience of these parents and to find ways to further promote success among similarly situated individuals.

Beyond that, it may be time for a more comprehensive reconsideration of supports and services for low-income families that appear stuck on the earnings continuum. These parents with challenges or skills and employment advancement deficits may need different programs than the current combination of TANF, WIA, SSI, VR, Food Stamps, EITC, and so on. In the 1990s, we found that some of the programs conceived in the Great Depression needed to be repealed and reconceptualized. It may very well be that the life cycle of programs has shortened and we need to reconsider the design of programs that can meet the needs of the struggling and challenged parents in the second decade of the new millennium.

The policy options posed by Loprest and Martinson are all worthy of examination, but if this examination finds a lack of fit between current programs and emerging challenges, it may be time to for a more fundamental redesign of programs that serve low-income parents.