

**From Safety Net to Self-Sufficiency:
A CJC Proposal for a State Mixed Strategy Approach
to Prepare TANF and Food Stamp Employment and Training Participants
for Illinois' Skilled Workforce**

November 2003

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Introduction

Governor Rod Blagojevich has committed his administration to develop a skilled workforce recognizing that Illinois' laborers are the backbone of business stability, economic growth, and strong communities. In Illinois, the Department of Human Services (IDHS) provides a safety net of support and services to those individuals and families unable to access or stay engaged in the labor market. Since the reform of our welfare system with federal legislation enacted in 1996, the Department has also been responsible for defining work requirements in exchange for public assistance. Despite this reorientation of the welfare system from an entitlement system to a work engagement system, different performance measures for Illinois' Temporary Assistance for Needy Families (TANF) program, and the Workforce Investment Act (WIA) "one stop" workforce development system have made it challenging to align work preparation and engagement objectives. In Illinois this has meant that our TANF program aimed largely at getting families off the caseload rapidly through poverty-wage job placement or diversion, and our WIA program aimed its limited resources at serving those most likely to succeed at work. TANF participants and poor single adults, usually job-seekers with few skills and multiple barriers, have not been judged as viable candidates by either system for education or vocational training that can help them secure better jobs and advance toward family-sustaining careers.¹

As the Governor's Office convenes regional stakeholders to identify critical skills gaps and create plans for economic and workforce development in these regions, TANF participants and poor single adults will be left behind again, unless IDHS recognizes them as essential members of Illinois' labor pool and aligns its services along the workforce development continuum to meet their labor market preparation needs. IDHS must take the lead in assessing their employment needs, and be active and assertive in developing and promoting an array of state barrier remediation, education, training, and work opportunities including "bridge" programs and transitional jobs programs to prepare these individuals, too, for the skilled workforce. This responsibility is no less important than the Department's responsibility to improve access to, and provide adequate work supports for those working but poor, and ensuring a basic level of income for those unable to work. A necessary next step in this direction is the implementation of a **mixed strategy** approach for Illinois' TANF and Food Stamp Employment and Training (E&T) programs.

A Mixed Strategy Approach

A mixed strategy service delivery approach is employment focused, maximizing the use of a thorough individual assessment and a flexible menu of barrier remediation, job search, and education and training options to assist participants making the transition from welfare to work in their local labor markets. Research shows that this strategy "has been the most

effective in increasing employment and earnings, reducing welfare receipt, and sustaining that success over time.”² Portland, Oregon’s mixed strategy JOBS program, one of the sites in the National Evaluation of Welfare-to-Work Strategies (NEWWS) completed in the mid to late 1990’s, produced outcomes that included:

- ✓ A 21% increase in employment (compared to the control group).
- ✓ A 25% increase in earnings.
- ✓ A 22% reduction in time on welfare.
- ✓ 49% of mixed strategy participants had employment with health insurance two years post-placement, 6% better than the best of programs evaluated in the NEWWS study.³

The following features of the Portland JOBS program contributed to its successful outcomes:

- ✓ Those who demonstrated work-readiness were supported to find not the first job, but a full-time job with adequate wages and benefits.
- ✓ Those with less education or work experience were engaged in life skills, education and training, and job search activities including GED preparation for those with a good chance of attaining this certificate.
- ✓ Those with a high school diploma were encouraged to engage in post-secondary education and vocational training.
- ✓ The program tailored services to individual needs and circumstances, including hours of participation.
- ✓ The focus on job quality, which also naturally promoted education and training to get there, produced a balanced mix of services that resulted in a 68% participation rate in education or training and 65% in job search.

Evaluations of other welfare-to-work programs also underscore the employment outcome contributions of mixed strategy services. The California Greater Avenues to Independence (GAIN) Evaluation reveals that the most successful site - Riverside County - engaged 60% of participants in education and training prior to job market placement.⁴ And a two year study of Minnesota’s Pathways Program found that graduates who completed customized training offered through business/community college partnerships earned 19% higher hourly wages compared to Work in Progress (job search and support) program participants. After one year, only 29% were still receiving some form of public assistance compared to 47% in the job search program.⁵

Current Program Policies and Possibilities

The IDHS TANF program includes policies and program components that support a mixed strategy approach. There are provisions for:

- comprehensive family assessments and individualized planning toward employment.
- learning disability screening and literacy testing.
- up to 24 months of work preparation activities including participation in literacy, English as a Second Language, or GED classes; engagement in job training or self-employment; and participation in a work program, counseling, or treatment. These activities may continue past 24 months with 20 hours of work per week.

- the pursuit of a college degree through the College Option for those with their high school diploma or GED.
- the Work Pays income disregard and child care resources offering some financial “breathing room” for those making the transition from welfare to work.

Despite the existence of these policies and program components, the Department has promulgated a one-size-fits-all, work first philosophy. IDHS statewide employment and training numbers for May show only 4,106 TANF recipients engaged in some education or vocational training pursuit of the 11,908 available to work and not working. State research tells us 41- 44% of the TANF caseload lack their high school diploma or GED yet just 689 recipients were in GED programs statewide.

Recommendations for Implementing a Mixed Strategy Program

Over the course of this year CJC has visited with nine of Chicago’s WorkFirst contractors. In response to a “dream” question about what contractors would like to do differently to help their clients have employment success all expressed that they desire the flexibility to include education and training as allowable work activities for those who can benefit from these. Most also suggested that comprehensive assessment up front could result in better assignment to services leading to employment.

Consistent with these contractors’ dreams, this IDHS administration has stated its commitment to supporting Illinois’ low-income individuals and families as they transition from joblessness to the skilled workforce and out of poverty. Reorienting the state’s TANF and Food Stamp Employment and Training programs and service delivery staff from a work first approach to a mixed strategy approach is a necessary next step to creating a more responsive and effective system. This may best be achieved by first identifying performance outcomes which measure and reward meaningful educational, personal, and employment gains.

CJC included specific system performance goals in its document, *Recommendations for a New Temporary Assistance for Needy Families Program in Illinois*. These measures were recently included with others in testimony by the National Center on Poverty Law in the Subject Matter Only Hearing on Access to IDHS Services sponsored by Representative William Delgado, Chair of the House Human Services Committee and Work, Welfare, and Families. These measures are combined below. CJC recommends that the Department establish local office performance goals, using the research available, to target a desired:

- ✓ percent of enrollments and completions in each of the levels of education and training along the continuum from transitional jobs and ABE/ESL to vocational certification and post-secondary degree achievement.
- ✓ percent of teen parents enrollments and completions in secondary education.
- ✓ percent of recipients and former recipients engaged in employment barrier remediation including domestic violence and mental health counseling, and substance abuse treatment.
- ✓ percent of recipients and former recipients employed and wage placement level, with income increases over time, and earning at least 200% of poverty and work benefits.

- ✓ percent of people in Illinois at or below 200% of poverty that receive each of the benefits for which they are eligible including child care, food stamps, medical assistance, and the state and federal Earned Income Tax Credit.

CJC also recommends that the IDHS fund, develop, and implement education and training programs specifically for TANF and Food Stamp E&T participants including transitional jobs and “bridge” programs (intensive programs that provide literacy and vocational training). IDHS can be innovative with partners from the state and local workforce investment boards, the WIA One Stop System, community colleges, and community-based providers to develop these training options and career pathways toward employment in high-demand labor market sectors.

And CJC recommends that IDHS develop a plan for implementation of the mixed strategy approach including, but not limited to, staffing and training needs, local office monitoring and reporting requirements, some revisioning of contracted services, and the identification of strong education and training partners in all service delivery regions.

These recommendations are made mindful of expected changes in federal welfare and workforce legislation. This is a critical time for the Illinois Department of Human Services to make innovative plans for TANF caseload engagement and develop clear expectations for the use of TANF resources in the WIA system. A mixed strategy approach affords the state flexibility to provide a continuum of services that engages TANF recipients in the most appropriate activities toward job placement, employment retention and wage gains.

Summary

As the Governor’s Office spearheads regional workforce development planning to prepare skilled workers for the new economy of the 21st century the Department of Human Services must recognize its important role as the point of access to employment services for some of the least skilled and most barriered job seekers. Outcome data from evaluations of welfare-to-work strategies and TANF caseload and leavers studies underscore that TANF recipients have largely been placed in poverty-wage employment and do not retain these jobs over time, nor realize sufficient income gains. States which have demonstrated the greatest success in increasing family earnings, improving access to employer-paid benefits, and improving job retention implemented a mixed strategy approach.

The Chicago Jobs Council recommends that IDHS adopt a mixed strategy approach for Illinois’ TANF and Food Stamp E&T programs. Features of this approach should include individualized assessment and employment planning; flexible combinations of education, training, life skills, and job search toward maximized job placement and career advancement; and necessary supportive services to address employment barriers and enhance family well-being. The Department must identify new local office performance measures and training which reorient services and service deliverers to success defined by skills attainment, wage placement, barrier reduction, and work support receipt.

There is no better time than now to align Illinois Department of Human Services TANF and Food Stamp work requirements along the continuum of workforce development system

expectations so that participants have real access to employment services and real opportunities for family-sustaining employment. CJC is committed to working with the Department to imagine the implementation of a mixed strategy approach in Illinois and to achieve the best possible labor market results for Illinois' poor and working poor individuals and families, as well as Illinois' economy.

Resources

Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform, revised April 2003, by Karin Martinson and Julie Strawn. Center for Law and Social Policy, the National Institute for Literacy, and the National Adult Education professional Development Consortium.

Skills Training Works: Examining the Evidence, September 2002, by Whitney Smith, Jenny Wittner, Robin Spence, and Andy Van Kleunen. Chicago Jobs Council, Women Employed, and The Workforce Alliance.

Transitional Community Jobs, Chicago, Illinois: A Summary Report on the Program and Its Outcomes, June 2002, by Amy Rynell and Kristy Beachy-Quick. Mid-America Institute on Poverty of the Heartland Alliance.

Illinois 2003 – Workforce and Economic Development: Investing in the Future of Illinois, the Chicago Jobs Council.

¹ The employment needs of Illinois' poor families are documented in various research publications including the Illinois Poverty Summit's *2003 Report on Illinois Poverty*, the Illinois Families Study Third Annual Report: *Preserving the Gains, Rethinking the Losses*, and Mathematica Policy Research, Inc.'s 2003 report *Families on TANF in Illinois: Employment Assets and Liabilities*. Among the findings:

- More than 1 in 3 adults in poverty in Illinois do not have a high school diploma.
- 3 out of 4 state prison inmates did not earn a H.S. diploma.
- A person's chances of exiting poverty improve with each level of education (7.4% with H.S. diploma, 27% with associate degree or higher).
- 37% of families not working and not on TANF
- Just 49% currently working, and of those, 38% live in poverty
- Those more likely to be working and earning higher hourly wages had employer-sponsored health insurance and a H.S. diploma or GED.
- Only 30% of the caseload has found or retained 30 or more hours of employment, this result in a period of economic growth and strong work incentives.
- 90% of those working live below the federal poverty level.
- Just 6% have good jobs (jobs that pay \$8 or more/hr., offer benefits, and are day shift and not temporary or seasonal).
- 84% of the families in the caseload have two or more liabilities which decrease the likelihood of stable employment (probability of working 30 or more hours/week decreases from 33% to 10% as the number of liabilities increases).

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- “Strategies that address only one or two liabilities would do little to raise the probability of substantial employment for the caseload as a whole.”
 - Significant liabilities in Illinois include child care problems, physical health problems, multiple arrests, and limited work experience.

²Martinson, K. and Strawn, J. 2003. *Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform*. The Center for Law and Social Policy, the National Institute for Literacy, and the National Adult Education Professional Development Consortium. April.

³ Ibid.

⁴ Ibid.

⁵ Smith, W., Wittner, J., Spence, R., and Van Kleunen, A. 2002. *Skills Training Works: Examining the Evidence*. The Workforce Alliance. September.



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