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Written testimony of

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Introduction

Thank you for the opportunity to testify on the implementation of Temporary Assistance for Needy Families (TANF) services at the local level from the perspective of a community-based organization. My name is Boyd Brown and I'm the Area Director for Employment and Training at Goodwill-Easter Seals Minnesota (GESM).

My testimony today will cover three broad topics. First, I will provide an "on the ground" description of TANF services in Minnesota. Then, I will provide an overview of innovative programs and practices in Minnesota that should be considered in any TANF reforms. Lastly, I will conclude with a discussion of specific challenges that current TANF policies create around documentation and verification requirements as well as the limitations on allowable work participation activities.

The TANF program in Minnesota is the Minnesota Family Investment Program (MFIP).

Goodwill-Easter Seals has been a leading provider of workforce related services in Minnesota since 1919. This past year, we served 30,000 people with low incomes, disabilities and other barriers to employment throughout Minnesota and in western Wisconsin. We are a local affiliate of both Goodwill Industries International and Easter Seals, Inc. Our organization's mission is "To Eliminate Barriers to Employment and Independence." Goodwill-Easter Seals provides individuals with the skills and training they need to obtain and maintain employment, to advance in their careers and to improve or achieve independence and self-sufficiency. Since 1997 GESM has been a large-scale provider of TANF services in Hennepin and Ramsey Counties, the two largest counties in Minnesota, which include the cities of Minneapolis and St Paul. In Hennepin County, we have consistently met or exceeded our performance measures for TANF providers and have been recognized for outstanding achievement in participant work participation rate, outstanding agency performance and outstanding performance in rate of unsubsidized employment multiple time overs multiple years. We have met all pay-for-performance measures for exceeding the outcome measure of having 40% of participants discontinue MFIP assistance due to unsubsidized employment. Additionally, Goodwill-Easter Seals has been an employment services provider for Ramsey County since 2013 and has a long history of being the provider-of-choice in Ramsey County for specialized Minnesota Family Investment Program (MFIP) services, including supported work, integrated services models serving persons with disabilities, Supplemental Security Income (SSI) Advocacy and sanction outreach services.

Of the 30,000 people served by Goodwill-Easter Seals in 2014, 1,500 came to us through our TANF services (628 in Hennepin County and 871 in Ramsey County). We successfully placed 395 of those parents in employment and helped 289 discontinue assistance because of employment. The remaining families have either left MFIP for other reasons (e.g. left the county) or are continuing to engage in MFIP services.

“On the Ground” TANF implementation in Minnesota

Minnesota delivers TANF services through the Minnesota Family Investment Program (MFIP). MFIP is a state-supervised, county-administered program overseen by the Minnesota Department of Human Services. Most MFIP families are eligible to receive cash assistance for a maximum of 60 months over their lifetime.

MFIP families are placed on one of two tracks: the standard track for families who are expected to meet the federal work participation requirements, or the Family Stabilization Services (FSS) track for new refugees, victims of family violence, and families in which a member has serious functioning impairments. Goodwill-Easter Seals has experience providing both tracks of services. Family Stabilization Services is solely state-funded and the families served in that track are not included in the federal work participation rate calculation. Their activities also are often focused on addressing barriers to employment.

Counties refer families to an employment services agency, such as Goodwill-Easter Seals. Families have a choice of providers but will often go to the one recommended by the county based on geography. Once connected to Goodwill-Easter Seals, individuals meet with their assigned career counselor to complete an assessment of their situation and identify barriers, review the rules and expectations of MFIP, and create an individualized employment plan. Participants meet with their career counselor on a regular basis, at least once per month for the duration of their time receiving MFIP assistance. The Goodwill-Easter Seals’ career counselor caseload can range from 50 – 85 families at any given time. Goodwill-Easter Seals significantly subsidizes our MFIP contracts to ensure smaller caseloads. Many employment services providers report caseloads closer to 100 families or more.

Participants typically move into job search activities according to their respective plan, either primarily searching for employment or in combination with short-term education and training. Part of our success as a provider can be attributed to our work in developing relationships with employers and remaining connected with them even after placement. We have dedicated Career Specialists who work in tandem with the career counselor and who study labor market trends, build relationships with employers, assist participants in obtaining career clothing, driving them to interviews and ultimately placing participants into employment. The Career Specialist allows the career counselors to remain focused on ensuring participants meet MFIP requirements. Goodwill-Easter Seals funds these dedicated positions with our own social enterprise retail-generated funding. Most, if not all, Minnesota MFIP providers do not have the funding to cover the cost of these positions. We find it to be a critical piece for meeting employment outcomes.

When a participant is reaching 6 weeks and their job search hours are about to expire, the career counselor begins to look at other activity options including paid or unpaid work experience and/or education and training to supplement the hours spent job searching. During the process, participants can be diverted to other programs if they have medical issues that need special attention, are determined to be eligible for Family Stabilization Services, are sanctioned, or reach their sixty month

limit and do not receive an extension. People also voluntarily close their cases. Finally, if someone obtains a job that is above the defined income level that qualifies for MFIP, they will be transitioned off the program after two months.

Innovations

Goodwill-Easter Seals and the State of Minnesota are known for innovative TANF programming. We have participated in several Federal and State evaluations and pilot projects to learn more about “what works” in assisting individuals reach self-sufficiency. All of these innovative programs have these features in common:

- Meet participants “where they are” and develop personally meaningful goals that fully engage participants and their families in the process.
- Understand that each family is unique so that the services and supports needed for success will be different for every family
- Allow the time and resources needed for staff to fully engage participants and their families in services.
- Allow significant flexibility in activities and reduce documentation and verification requirements to allow maximum time and resources towards services and supports needed to reach employment outcomes.

Families Achieving Success Today (FAST) – Goodwill-Easter Seals is the lead and fiscal agent of a partnership of agencies providing Integrated Services to MFIP Families with Serious Disabilities in Ramsey County, Minnesota. This program was part of the TANF/SSI Disability Transition Project (TSDTP), funded by the Administration of Children and Families, U.S. Department of Health and Human Services and Social Security Administration. The Collaborative uses an integrated, multidisciplinary approach, providing comprehensive services including employment, adult and children’s mental health, culturally appropriate health education, advocacy, informal counseling, and guidance that help lead families to self-sufficiency.

The project uses evidence-based practices – the Individualized Placement & Support Model (IPS), from the mental health field, and motivational interviewing – to increase employment and self-sufficiency among TANF recipients with disabilities. The IPS supported employment design has been shown to help people who have serious mental illness, but it had not previously been tested within a TANF program. Through the one-year evaluation, the Study found that FAST group participants participated more in work activities, had higher levels of employment levels and higher annual wages than their control group counterparts. This study has shown much promise in serving families with multiple and significant challenges, but much is still to be learned to improve long-term employment outcomes.

Goodwill-Easter Seals and Ramsey County continue the FAST program today continuing to serve families with significant disabilities. Additionally, Goodwill-Easter Seals, in partnership with Ramsey County, has

implemented FAST II which is the same integrated service model while incorporating culturally specific interventions serving African Americans and American Indians. The goal of the project is to increase engagement and employment outcomes of enrolled African American and American Indian families.

Lifelong Learning Initiative – Goodwill-Easter Seals is participating in a new Ramsey County project called Lifelong Learning Initiative (LLI) which may potentially be part of the Job Search Assistance (JSA) evaluation supported by the Administration of Children and Families, U.S. Department of Health and Human Services. The evaluation would explore whether bringing practices based on the findings of brain-science and the conditions that strengthen our ability to make decisions, set priorities and manage stress is more effective for TANF recipients in helping them secure employment and reduce public benefit receipt than the standard set of employment services.

The initiative uses enhanced coaching methods to guide TANF participants in identifying their individualized self-sufficiency goals and then leading through the progression of steps for strengthening the executive functioning skills listed above in order to achieve those goals. Executive skill development and coaching are evidence-based interventions rooted in the science of the brain.

Minnesota Subsidized Transitional Employment Demonstration (MSTED) –MSTED is a newly-created demonstration and evaluation of subsidized employment to learn whether subsidized work can increase the number of participants moving from TANF into permanent unsubsidized employment. This project is part of the Administration of Children and Families, U.S. Department of Health and Human Services' Subsidized Transitional Employment Demonstration (STED) evaluation. Participants are placed in either a structured work experience paying an average of \$9.00 with a non-profit/private sector employer for a 24 hour work week for a total of 8 weeks or into a wage subsidy job with a private sector/private non-profit employer paying a wage subsidy up to \$15.00 an hour for an initial 8 week assignment with an option of an additional 8 weeks, with the expectation that the employer providing the wage subsidy job will hire the participant at the end of the wage subsidy. The demonstration is focused on participants with limited work history and on TANF for 6 months or more.

Moving Forward Project – The Moving Forward Project provides one-on-one assistance for participants with a criminal record. The Career Specialist provides information about industry and job specific criminal record restrictions to provide and guide appropriate job leads. Also, Career Specialists assist participants with the expungement process. The flexible nature of the program allows our staff to meet participants at convenient community locations and engage participants in setting personally meaningful and relevant goals. This project served 72 families in 2014, with a 53% placement rate and 86% 90 day and 78% 180 day retention rate with an average wage of \$9.77 per hour.

Stable Families Initiative -- The Stable Families Initiative Enhanced Employment Services program provides intensive, individualized employment services to chronically homeless TANF parents. This voluntary complement to traditional TANF services provides holistic and long-term support—with particular focus on increasing housing and financial stability—through collaborations with shelter and housing advocates, county eligibility staff, and other community agencies. All services and support

provided to participants are guided by self-identified and -developed goal plans. The Stable Families initiative has engaged 72 families while placing 33 participants in employment since July 2014.

Responsible Fatherhood –Goodwill-Easter Seals’ FATHER Project is currently funded through a Responsible Fatherhood grant with the U.S. Department of Health and Human Services.

The FATHER Project offers services for low-income dads to help them support their children, both financially and emotionally. The FATHER Project provides a holistic framework for all low-income fathers to enhance their own capacity as involved, economically self-sufficient and socially empowered parents and citizens. We work with each participant to help them gain the skills and support needed to enter the workforce, strengthen parenting skills, and ultimately become leaders within their families and their communities. Savings to tax payers include:

- From 2012 – 2014, over 1,500 dads enrolled in the FATHER Project across 5 sites in Minnesota.
- Over 90% of these fathers reported that the Project helped increase their commitment to financially supporting their family
- In the last fiscal year, participants have increased their child support payments in Minnesota’s three largest counties (Hennepin, Ramsey and Dakota). Rates among project participants in Dakota County alone jumped from 36 percent in 2013 to 47 percent in the first quarter of 2014 and again to 74 percent in the second quarter. In Hennepin County, FATHER Project participants paid 56.5% of child support that was owed, despite significant barriers to employment.
- 481 obtained job placements with an average wage of \$10.92. Almost half of those fathers who were placed had a criminal background
- “Return on Investment” study by Wilder Research (2010) demonstrated a conservative long-term financial return of \$3.41 for each dollar invested in the FATHER Project.

As you consider reforms, we urge you to make Responsible Fatherhood a permanent program under TANF. Fathers should be seen as part of the solution for stabilizing low-income families.

TANF Policy Challenges

Paperwork, Documentation and Verification Requirements

Our career counselors are overwhelmed by the amount of paperwork and time needed to document and verify participation hours. These requirements were created in the Deficit Reduction Act of 2005. Our career counselors are spending more time checking for signatures, verifying job search and school attendance, completing paperwork and updating employment plans than they are spending with their participants. Our Hennepin County MFIP team participated in a University of Minnesota, Humphrey Institute of Public Policy study that measured the amount of time career counselors spend on documentation versus direct participant services. The study found on average that career counselors working in the state MFIP program spend 53 percent of their time on documentation and 47 percent of

their time on direct services with their participants.¹ Having only half of the counselor's time available to meet the individualized needs of each family, hampers our ability to assist families in reaching employment goals. Our experience tells us that progress not detailed time logs move someone forward: we are more interested in grades and mastery of materials than in attendance sheets for education programs and more interested in follow up on job leads and applications than in the exact hours in those activities. The information that matters to us from medical and behavioral health professionals is in the type and amount of work that people with serious health problems can manage, not how many hours of appointments fill their calendars. Counselors find that they spend the majority of their meeting time with participants contacting schools, child care providers, medical providers, and government workers in an attempt to meet documentation and verification requirements.

While we acknowledge that documenting results is important, we believe we could improve employment outcomes by reducing the documentation demand. To illustrate how more time to meet the individual's needs leads to success, here is Claire's story.

Claire is a 24-year old raising her six year old daughter on her own because the girl's father is in prison. Claire and her daughter were in a homeless shelter when she was referred to our Moving Forward project. Claire had been in and out of a number of fast food jobs. Convictions of check forgery and terroristic threats as a juvenile as well as the lack of a high school degree meant she saw few other employment options. Her career counselor, recognizing Claire needed more services than the counselor was able to provide, referred her to a supplementary program focusing on individualized, intensive job search assistance for individuals with a criminal record, another GESM program, the Moving Forward Project.

The Moving Forward staff person worked intensively with Claire on increasing her employability and overcoming barriers to employment. This included guiding her through every step of the process to get her criminal record successfully expunged and placing her in paid work experience at a Goodwill store. Her work placement at Goodwill's E-Commerce division allowed her to strengthen her work skills and add a non-food service job to her resume. The small success experiences fueled her motivation: she got a GED while working part-time, got her driver's license, bought a car and moved out of the homeless shelter. She found herself a \$9 an hour job as a driver for an auto parts store, is continuing to receive job support coaching and has held that job for more than a year now.

Work Participation Activity Limitations

We believe the work participation rate with its core and noncore activities dictate a cookie cutter, one-size fits all approach to obtaining employment. Additionally, there are numerous limitations in policy

¹ Dani Indovino, Amy Kodet, Bridget Olson, and Jeff Streier, *The Flexibility Myth: How Organizations Providing MFIP Services are Faring Under New Federal Regulations*, Hubert H. Humphrey Institute of Public Affairs, University Of Minnesota, 2008

that prevent them from acting in the best interest of participants. These limitations include time limits put on certain activities such as a six week job search, inability for some people to count trainings or school towards work participation, or barriers certain people may have towards employment.

To illustrate this point, here is the story of Barbara, who lived in Hennepin County and was referred to our Stable Families Initiative which specifically serves TANF Families experiencing homelessness.

Barbara, homeless and living in a Minneapolis shelter, was struggling with finding employment through job search and was having significant difficulty in maintaining the required participation hours. She was enrolled in the Stable Families initiative where the career specialist was able to meet with her on a regular basis. During a home visit, the worker saw boarded up windows and destroyed doors. Thanks to training in addressing domestic violence and the ability to meet outside the office, the worker learned Barbara was homeless because of repeated instances of property damage. Her partner would shoot out windows, destroy walls and doors and physically batter Barbara. She was in sanction trouble with her MFIP employment counselor because she was not meeting her job search hours. But Barbara, who had experienced abuse and violence in her family as well as with her partner, had learned to mistrust people and had not shared information about the violence with her employment counselor. While she was not eligible for child care assistance because her son's father was technically available to care for the boy, Barbara feared for her son's safety when she was not around. Her Stable Families worker gave her information about her options, helped her get a Family Violence waiver on MFIP and a court order for no contact. Her abuser has moved out of state. Barbara now has an apartment for herself and preschool son and without the violence of her son's father, is able to maintain this apartment. Barbara qualified for child care assistance and began engaging in job search, found a \$12 an hour job as an administrative assistant and scheduler for a company that provides transit services to people with disabilities. The job provides regular, reliable full-time employment. She earns enough to no longer need a housing subsidy and is receiving reduced MFIP benefits because of her earnings.

Education and Training

We believe that for our participants and for Minnesota's economy we need to go beyond a "work first" policy. Unemployment is high among low-income and less-educated individuals and the employment prospects for less-educated individuals are more limited than ever before. By 2020, 65 percent of all jobs will require postsecondary education and training beyond high school, with 35 percent requiring a bachelor's degree and 30 percent requiring some college or an associate's degree.² At the current rate, the United States will have 5 million fewer workers with these education levels than the economy will need, according to the study. Additionally, "by the year 2020, fully 74% of all the jobs in Minnesota will

² Anthony P. Carnevale, Nicole Smith, and Jeff Strohl, *Recovery: Job Growth and Education Requirements through 2020*, Georgetown Center on Education and the Workforce, 2013.

require some postsecondary education. Half of these jobs will require a bachelor's degree or beyond; half will require a certificate, diploma or associate's degree."³ However, just over 40 percent of working age Minnesotans attained a degree beyond a high school diploma/GED in 2013.⁴

Research shows that additional education or training can yield substantial earnings gains – which mean that participants with more education or training will need less government assistance to meet their basic needs. Some recent studies find that one additional year of schooling can lead to earnings gains averaging 10 to 15 percent per year.⁵ Shorter-term post-secondary training, e.g., certificate programs that require less than two years of training, also has been shown to have valuable returns. This is what our state's economy needs to thrive. Baby Boomers are retiring in record numbers and we need to replace those skilled workers if our economy is to flourish. We help employers by offering employees who are ready to work. It's hard to reach significant employment outcomes without more flexibility with education and training. To illustrate the importance of education and training, here are Sandy and Elizabeth's stories:

Sandy came to us as a 24 year old mother. She was working part-time in a minimum wage job requiring a 30 minute commute each way and looking for an additional fast food job near to home in order to try to make ends meet and get off assistance. We were able to help her enroll in a Red Cross Certified Nurse Assistant training. Having her do that training fulltime for up to eight weeks required her to leave the part-time retail job. But it resulted in her getting a fulltime \$14 an hour job two blocks from her home at a group home the week after finishing that training.

When the career counselor met Elizabeth for the first time, she and her young daughter slept most nights in her car. Elizabeth was adamant that she needed to find a job and that income was the quickest way to secure housing. However, from our experience we know that securing employment without basic needs being met is an up-hill battle. In addition to housing, Elizabeth had dropped out of school in the 10th grade and had not stepped foot in a classroom since that time. In her mind, continuing her education was a luxury she could not afford. Elizabeth's initial plan included 6 weeks of job search and she gave 100% in finding a job but to no avail. Generally, the next step after 6 weeks of job search is unpaid work or volunteering, but the counselor knew this would not be the right course to obtaining long-term, stable employment. The counselor convinced Elizabeth to include GED preparation in her plan. Even though GED classes would not count toward the required Work Participation Rate, the counselor knew that it would be needed to secure employment and off assistance.

³ Ibid.

⁴ U.S. Census Bureau, 2009-2013 American Community Survey

⁵ C. Goldin and L.F. Katz, *The Race between Education and Technology*, The Belknap Press. Cambridge, MA, 2008.

For the next 13 months, Elizabeth attended GED classes and continued in her fruitless attempts at finding a job. Elizabeth continued to struggle with housing primarily “couch hopping” while working toward her GED. At one point, she moved in with an abusive partner, showing up with 2 black eyes at the counselor’s office. She quickly landed back to couch hopping while finishing up her GED classes.

After 13 months, Elizabeth had completed her GED! Other than the birth of her daughter, she said it was the proudest day of her life. Three days later, she got a part-time job at Target, and the following week she enrolled at Century College pursuing a Human Service AA degree. After obtaining her job, she was able to move into an efficiency apartment. Her work hours increased from 15-20 hours per week to 30+ so she is over-income for MFIP and closed late 2014. She completed her first year as of June 2015 and will graduate June 2016. She eventually will transfer into a Bachelors Program and wants to be a Social Worker. With more work hours, she has now moved out of her efficiency and now is in a 2 bedroom apartment.

Outcome versus Process Measures

We believe in accountability. However, hold us accountable for the outcomes that matter – getting people into jobs and off of assistance. We recommend that TANF policy changes to measure meaningful outcomes related to employment and self-sufficiency and place less emphasis on process measures, such as participation hours. By focusing on these process measures, the policy is creating perverse incentives for career counselors and participants alike, who become obliged to do things like take a lower paying job for more hours rather than a higher paying job that may only be part-time. It also lessens the ability for participants to enroll in meaningful education or training programs that would increase their earning potential. Additionally, it ignores other activities and services that may be the key to employment.

To illustrate this point, here is Laura’s story.

Laura worked in the health industry for 30 years until she was physically disabled from a car accident. After the car accident she started experiencing significant mental health symptoms, such as anxiety and depression. In addition to the changes in her mental and physical health, Laura experienced several deaths within her family, including her daughter. She is now raising her grandson, Ben, and in order to care for him her physical and mental health needed to be stabilized. Additionally, Ben has significant physical and mental health issues including sickle cell anemia, depression and anxiety. His sickle cell anemia treatment includes blood transfusions every two weeks.

Stabilization services were provided to Laura and her grandson in the form of adult mental health therapy, children’s mental health therapy and Health Navigator services. Since participating in the FAST program, Laura was able to secure employment in the Health Care field and is now employed at two part-time positions. Ben is also doing well, is still receiving services and continues to make progress in school. Since securing employment, Laura continues to

experience life crises, such as the loss of a family member through violence, and has continued to participate and receive ongoing supports from the adult mental health therapist, the health navigator and the career specialist. She has used a variety of services to regain her ability to secure and maintain employment. This employment in turn is helping to improve her mental health, so all of the services (including employment) complement each other, and this could all have fallen apart with the absence of any one of these services.

Conclusion

In summary, we recommend the following TANF policy changes to ensure families have the services and supports needed to meet their employment goals and move out of poverty:

- Hold TANF providers accountable for outcomes and not process.
- Allow TANF providers to document progress towards employment goals and not hours of participation.
- Offer flexibility in allowable employment plan activities to meet the unique and individual needs and challenges our families face.
- Include fathers as part of the solution by adequately supporting Fatherhood initiatives to provide the skills and support needed to enter the workforce, strengthen parenting skills, and ultimately become leaders within their families and their communities.

Again, thank you for the opportunity to share our experience as a TANF provider in the state of Minnesota. We appreciate the committee's interest in hearing from the field and are happy to serve as a resource to you as we look to increase both the effectiveness and efficiency of how TANF is implemented across the nation through reform efforts.