

EDWARD M. KENNEDY, MASSACHUSETTS, CHAIRMAN

CLAYBORNE PELL, RHODE ISLAND  
HOWARD M. METZENBAUM, OHIO  
CHRISTOPHER J. DODD, CONNECTICUT  
PAUL SIMON, ILLINOIS  
TOM HARKIN, IOWA  
BARBARA A. MIKULSKI, MARYLAND  
JEFF BINGAMAN, NEW MEXICO  
PAUL D. WELLSTONE, MINNESOTA  
NANDE WOFFORD, PENNSYLVANIA

NANCY LANDON KASSEBAUM, KANSAS  
JAMES M. JEFFORDS, VERMONT  
DAN COATS, INDIANA  
JUDG. GREGG, NEW HAMPSHIRE  
STROM THURMOND, SOUTH CAROLINA  
ORRIN G. HATCH, UTAH  
DAVE DURENBERGER, MINNESOTA

# United States Senate

COMMITTEE ON LABOR AND  
HUMAN RESOURCES

WASHINGTON, DC 20510-6300

NICK LITTLEFIELD, STAFF DIRECTOR AND CHIEF COUNSEL  
SUSAN K. HATTAN, MINORITY STAFF DIRECTOR

January 28, 1994

Bruce Reed  
Domestic Policy Council  
The White House  
West Wing, Second Floor  
Washington, D.C. 20500

Dear Mr. Reed:

I am writing regarding the work component of the welfare reform plan.

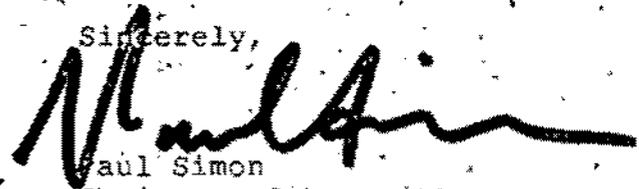
As you may know, I have long advocated some type of public sector job creation effort to provide experience and training -- as well as hope and pride -- to those in need. While there are millions on welfare, on unemployment compensation, or just on the streets, there are huge needs in this country that are not being addressed. We can put these two things together like the old WPA did. Building bridges, clearing parks, teaching people to read, involving people in the arts were all a part of that effort that enriched this Nation greatly.

Yesterday, I chaired a hearing on the topic, "Creating Public Service Jobs." And, as you know, Senator Boren and I have developed "Community WPA" legislation, S.239. I have enclosed copies of the testimony, the bill, as well as my 1987 book, Let's Put America Back to Work.

I have discussed the need for a jobs program with President Clinton and with Secretary Reich, and the reaction has been positive. As you develop the Administration's welfare reform proposal, particularly the work component, I encourage you to involve the Subcommittee on Employment and Productivity, which has jurisdiction over job training and work programs.

Thank you for all of the hard work you have been putting into the welfare reform effort. As your work continues, please contact me or Bob Shireman on my staff at 224-5575.

Sincerely,



Paul Simon  
Chairman, Subcommittee on  
Employment & Productivity

## WITNESS LIST

Committee on Labor and Human Resources  
Employment and Productivity Subcommittee

"Creating Public Service Jobs"

January 27, 1994

Panel 1: Senator David Boren

Panel 2: Michael White, Mayor  
Cleveland, Ohio

Audrey Rowe, Commissioner  
Connecticut Department of Social Services  
Hartford, Connecticut

Panel 3: Leila Hardaway, Deputy Director for Social Services  
Franklin County Department of Human Services  
Columbus, Ohio

Kathleen Selz, Director  
National Association of Service and Conservation Corps  
Washington, D.C.

Thomas Brock, Senior Research Associate  
Manpower Development Research Corporation  
New York, New York

**Statement of Senator Paul Simon**  
**on**  
**"Creating Public Service Jobs"**

January 27, 1994

The recent focus on welfare reform has brought a renewed interest in job creation. That makes sense. Most welfare recipients want to work, and we should help them to be productive rather than simply giving them a benefit check.

But the issue -- the need for job creation -- is broader than that. The great division in our society is not between black and white, young and old, or Hispanic and Anglo. It is between people who have hope, and people who have given up. And when people give up, they aren't just unproductive. Their despair contributes to the decline of whole communities, and to problems such as crime, violence, and drug and alcohol abuse.

There are two things that can give people hope. One is if they or their children move forward in their education, whether it is basic literacy or college. The second way is for them to get a job. We need to provide hope, by creating jobs for people on welfare.

But we must also provide jobs for others who need hope. The unemployment rate has dropped, but still, nearly eight million people are seeking jobs -- and this doesn't count the millions who have stopped looking. For some reason, as a Nation we are now willing to live with a much higher rate of unemployment than would have been tolerated in the past. In the 1990's, the unemployment rate is averaging two percentage points higher than in the 1950's and 60's. Much of this is an increase in long-term unemployment (those who have been unemployed for more than 27 weeks). In addition, double-digit unemployment is not uncommon in many areas of the country. Many of our inner cities, a number of rural areas, and a number of Indian reservations have been decimated by unemployment.

At the same time that there are millions on welfare, on unemployment compensation, or just on the streets, there are huge needs in this country that are not being addressed. Why don't we put these two things together? That's what the WPA did. Building bridges, clearing parks, teaching people to read, involving people in the arts were all a part of that effort that enriched this Nation greatly, while it helped give people hope, pride, and a future. While we cannot duplicate the WPA, we can learn from it, and build on it.

I look forward to the testimony we will hear today.

**TESTIMONY OF**

**THOMAS BROCK**

**RESEARCH ASSOCIATE**

**MANPOWER DEMONSTRATION RESEARCH CORPORATION**

**before the**

**SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY**

**of the**

**SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES**

**January 27, 1994**

Good morning. I am Thomas Brock, Research Associate at the Manpower Demonstration Research Corporation (MDRC). I appreciate the opportunity to testify before this subcommittee on findings from MDRC's research on Unpaid Work Experience programs for welfare recipients, and the lessons that such research gives about the design and implementation of future efforts to provide jobs to welfare recipients.

Let me begin with a definition. Unpaid Work Experience involves assigning welfare recipients – specifically, recipients of Aid to Families with Dependent Children (AFDC) – to community service jobs, either in government or the private nonprofit sector, as a condition of public assistance. Participants in Unpaid Work Experience do not receive any compensation other than their welfare check, though they may receive support services like child care and transportation payments. Sometimes Unpaid Work Experience is called "workfare," but I will avoid this term, since this label is often used to describe mandatory job search, education, training, or other activities for AFDC recipients. Unpaid Work Experience strictly involves *working for welfare benefits*.

In some Unpaid Work Experience programs, the number of hours that individuals are assigned to a job is determined by dividing the amount of the individual's welfare check by minimum wage. The duration of the work assignment can be as long as an individual receives AFDC. In other programs, welfare recipients may be assigned to work 20 hours per week, regardless of the amount of the AFDC grant; these programs typically limit work assignments to 3 months.

Although Unpaid Work Experience programs have existed in various forms since the 1960s, they are once again in the spotlight as a possible option for welfare reform. In particular, some policymakers have proposed that Unpaid Work Experience could be required at the end of two years on welfare, after recipients have had an opportunity to take advantage of education and training services. Other policymakers have suggested that Unpaid Work Experience should be given greater prominence in the currently-operating Job Opportunities and Basic Skills Training (JOBS) programs, where job search, basic education, and occupational training now tend to receive the most emphasis.

Supporters of Unpaid Work Experience argue that it might accomplish the following objectives:

- First, it could introduce a reciprocal obligation to the welfare system. In other words, it might require AFDC recipients to "give back" something to the public in exchange for the benefits they receive.
- Second, it could allow valuable community work to be performed. In an era of tight fiscal resources, Unpaid Work Experience might address public needs that otherwise would go unmet.
- Third, it might increase the employability of welfare recipients by teaching them basic work habits (such as punctuality and getting along with others), and perhaps

specific occupational skills as well. It might also provide experience that welfare recipients could list on a job application.

- Fourth, it could reduce welfare rolls and costs, either by providing welfare recipients with the experience they need to obtain unsubsidized work; deterring people from remaining on welfare so that they can avoid the work requirement; or "smoking out" those who may already have employment that they are not reporting to the welfare department.

During the 1980s, MDRC conducted a number of evaluations that help to shed light on the extent to which Unpaid Work Experience programs can achieve these objectives. These evaluations were unusually rigorous: Eligible AFDC recipients were randomly assigned into different groups, with some people assigned to a program group that could attend Unpaid Work Experience (and possibly other activities), and other people assigned to a control group that could not participate in Unpaid Work Experience (or other services). The difference in welfare and employment outcomes between program and control group members yields a reliable estimate of program achievements, since the control group represents what would have happened to welfare recipients if there were no Unpaid Work Experience program.

All of MDRC's evaluations were conducted on "real" programs operated by state or local welfare departments. There were 9 studies altogether.<sup>1</sup> All of the evaluations provided data on the implementation, participation patterns, and (in most cases) costs of Unpaid Work Experience; 3 of these studies — in West Virginia; San Diego, California; and Cook County (Chicago), Illinois — also were designed to isolate the effects of Unpaid Work Experience on AFDC recipients' earnings and welfare payments.

I will turn now to 5 major questions that are often asked about Unpaid Work Experience, and the answers indicated by MDRC's research.

### **First, is Unpaid Work Experience feasible to operate?**

The answer from MDRC's evaluations is "yes." All of the state and local welfare agencies that we studied were able to implement an Unpaid Work Experience program and to enforce a reciprocal obligation: that is, work in exchange for welfare.

There is, however, an important caveat to this finding. With the exception of West Virginia — which maintained an enrollment level of over 1,900 during the course of the evaluation — most of the programs were run at a very small scale. After West Virginia, Cook

---

<sup>1</sup> The 9 studies were of the Arkansas WORK program; the San Diego, California Job Search and Work Experience Demonstration; the San Diego, California Saturation Work Initiative Model (SWIM); the California Greater Avenues for Independence (GAIN) program; the Cook County, Illinois WIN Demonstration; the Maine Training Opportunities in the Private Sector (TOPS) program; the Baltimore, Maryland OPTIONS program; the Virginia Employment Services Program; and the West Virginia Community Work Experience Program.

County's program was the second largest, with nearly 400 filled positions; the other programs were smaller still.

Why were the programs so small? In part, it was because they were designed and targeted in a way that minimized the number of people who could participate. Nearly all of the programs we studied, for example, *excluded* AFDC recipients who had pre-school age children. Furthermore, with the exception of West Virginia, all of the programs placed Unpaid Work Experience after an initial activity like job search, or offered Unpaid Work Experience as one of several activities clients could choose, thereby limiting the number of people who participated in Unpaid Work Experience. Finally, although nearly all of the programs were mandatory — meaning that welfare benefits could be reduced or eliminated if clients assigned to Unpaid Work Experience did not attend their assignments — the programs varied in the extent to which they enforced the participation requirement.

The small scale of the programs was also explained by operational and political considerations. Most of the programs were constrained in the number of staff and other resources they had available to run Unpaid Work Experience. Smaller-scale programs are also easier to implement, particularly because Unpaid Work Experience has tended not to be a popular activity among welfare advocacy groups (who have viewed these programs as exploitative of welfare recipients) or public service employees' unions (who have regarded unpaid workers as a threat to regular, paid staff). Notably, in the Cook County program, the welfare department developed *no* worksites in state, county, or City of Chicago governmental offices, specifically in deference to public service employees' unions. All of Cook County's worksites were in the community-based nonprofit sector.

Finally, an important factor limiting the scale of Unpaid Work Experience programs was the clients themselves. Not all welfare recipients were ready or able to work, even in low skilled jobs. Program staff exempted clients who lacked basic literacy, could not make child care or transportation arrangements, had physical or emotional problems, or seemed unmotivated. Some clients also simply refused to participate, even at the risk of having their welfare benefits reduced. The percentage of clients in the mandatory programs who failed to go to their work assignments without good cause ranged between 5 and 15 percent, based on program sanctioning data.

### **Second, can Unpaid Work Experience provide meaningful work?**

In the programs studied by MDRC, the answer is once again "yes." The jobs were generally entry-level positions in maintenance, clerical work, park service, or human services. Examples of the types of jobs participants held include the following:

- office aides and receptionists for a community nonprofit agency;
- mail clerks for city agencies;
- assistants in day care programs for children or handicapped adults;

- street sweeper for the public works department; and
- gardeners in city parks.

MDRC conducted surveys of worksite participants and supervisors and found that both groups held generally positive views about the assignments. A large majority of participants in all of the study sites responded that they liked their jobs overall and looked forward to coming to work. Most participants also thought the work requirement was "fair," though they believed the employer got the better end of the bargain and would have preferred regular, paid jobs. Worksite supervisors judged the work that participants performed to be important, and reported that participants were as productive as comparable entry-level employees in their organizations. However, the supervisors did not think that the work assignments enabled participants to acquire new occupational skills. These findings indicate that Unpaid Work Experience was not necessarily punitive or exploitative, as some critics feared; but neither did it teach people new occupational skills, as some proponents claimed. Rather, the truth seemed to lie somewhere in the middle.

It is important to note that participant and supervisor attitudes about Unpaid Work Experience could be quite different if it were implemented on a much larger scale – or if the participation requirement were much longer – than in the programs MDRC studied. For example, if welfare agencies truly required everyone who was left on AFDC at the end of 2 years to go to a worksite or lose their benefits, welfare recipients' attitudes toward Unpaid Work might be considerably less positive. Welfare agencies might also have difficulty creating enough meaningful work assignments if a job had to be found for everyone left on the rolls at 2 years, particularly because these welfare recipients would tend to be low-skilled and might face significant personal barriers to working.

### **Third, does Unpaid Work Experience increase earnings and reduce welfare dependency?**

The three programs in which MDRC was able to isolate the effects of Unpaid Work Experience – in San Diego, Cook County, and West Virginia – generally did not produce significant earnings gains or reductions in welfare payments. The one exception was for the predominantly female, single parent AFDC applicant group in San Diego, who were randomly assigned to a program group that received job search assistance followed by Unpaid Work Experience. Over 15 months following random assignment, these AFDC applicants had a statistically significant increase in earnings of \$700 over a no-service control group, and a \$450 increase in earnings over a second program group that received job search services, but no Unpaid Work Experience. Hence, AFDC applicants in San Diego who could attend Unpaid Work Experience earned more than those who could not participate.

In contrast to this positive finding for single parent applicants, the same San Diego program did *not* produce significant earnings gains for the mostly-male heads of 2-parent AFDC-UP cases. Likewise, neither the Cook County nor the West Virginia Unpaid Work Experience program led to significant earnings increases for mostly-female AFDC applicants and recipients. And in *none* of the studies sites – including San Diego – were there significant reductions in welfare payments that were attributable to Unpaid Work Experience.

In sum, though we only have a few studies to draw from, the findings do not suggest that Unpaid Work Experience is an effective means of increasing earnings or reducing welfare payments – at least not as operated during the 1980s. It is possible that if Unpaid Work Experience were structured to provide more occupational skills development – or if it were *followed up* by job search assistance (instead of merely *preceded* by job search, as was the case in many of these programs) – participants might be better able to capitalize on their experience, and significant earnings effects could be detected. It is also possible that Unpaid Work Experience could lead to significant reductions in welfare payments if it were run as a much more mandatory or onerous program. For instance, welfare recipients might be more inclined to go off welfare if they knew that the work requirement was unavoidable and long-lasting, as might be the case under a time-limited welfare program.

#### **Fourth, what does Unpaid Work Experience cost?**

By definition, there is no payment of wages to participants in Unpaid Work Experience; welfare recipients work for the benefits they are already receiving. Despite this fact, there are programmatic costs involved in worksite development; client intake, assignment, and monitoring; and support services, such as child care and transportation payments. Added together, these expenses can be substantial. In 1993 dollars, the annual cost of keeping an Unpaid Work Experience position filled in the programs studied by MDRC ranged from about \$1,100 to \$7,000.

The wide variation in program costs was due largely to differences in program design, targeting, and scale. For example, only one program (in Arkansas) included AFDC recipients with pre-school age children; consequently, this program had some of the highest child care costs, and was one of the most expensive overall. Some programs invested considerably more in worksite development and participant monitoring than others; the more attention paid to these activities, the more expensive the program. Staff salaries varied significantly in the different study locations – higher in urban areas, for example, and lower in rural – thereby affecting program costs. And there appeared to be economies of scale: The largest programs (in West Virginia and Cook County) had the lowest costs, while the smallest programs had higher costs. We do not know, however, whether there might be *diseconomies* associated with running extremely large-scale Unpaid Work Experience programs, as might be the case if Unpaid Work Experience were required of everyone left on welfare at 2 years.

MDRC's analysis of the costs of the 1980s programs suggests that a reasonable estimate of the annual cost of keeping an Unpaid Work Experience position falls between \$2,000 and \$4,000 (in 1993 dollars), *exclusive of child care*. One strategy to minimize child care costs might be to target AFDC recipients with school-age children, and to set work hours during times that children are normally attending school, with breaks in assignments scheduled during school holidays and vacations.

**Fifth, is there research evidence to suggest that a large-scale community work program for welfare recipients can be implemented?**

As indicated previously, only one of the Unpaid Work Experience programs studied by MDRC – West Virginia's – can truly be considered a large-scale program. The Unpaid Work positions were mostly filled by men on AFDC-UP.<sup>2</sup> Achieving high participation was an explicit goal in West Virginia, and special funding was provided for this purpose. Moreover, the state welfare agency had a long history of running work programs of this type. Indeed, in a state where unemployment rates have tended to be high, Unpaid Work Experience came to be viewed as a near-equivalent of a public works program, and enjoyed considerable support.

Even with strong backing, however, there may be practical limitations to the scale at which Unpaid Work programs can operate. New York City's experience during the 1980s provides a sobering example. Mayor Edward Koch was a strong and consistent supporter of Unpaid Work Experience, and ran one of the largest such programs in the country. Still, at its peak the New York City program enrolled 7,500 participants, out of a mandatory adult AFDC recipient population of approximately 125,000. Given that the total *paid* municipal workforce is over 300,000, it becomes clear that the objective of finding an Unpaid Work Experience position for every mandatory welfare recipient in New York City would be tantamount to increasing the number of city workers by about one-third.

Moving beyond Unpaid Work Experience, other MDRC research – specifically, the evaluation of the Youth Incentive Entitlement Pilot Project (YIEPP) – provides some evidence that government agencies can create meaningful jobs on a large scale. Operated between 1978 and 1980, YIEPP was the nation's first and, to date, only effort to run a guaranteed jobs program. The program offered minimum wage jobs, part-time during the school year and full-time during the summer, to youths between the ages of 16 and 19 who were from low-income households, on the condition that they remained in or returned to high school (or its equivalent) and met academic and job performance standards. The job offer was extended as an entitlement to all eligible youths in 17 demonstration areas across the country, including urban, suburban, and rural sites. Prime sponsors under the Comprehensive Employment and Training Act (CETA) were charged with operating the program. Unlike the Unpaid Work Experience programs described earlier, some of the YIEPP worksites were located in the private, for-profit sector. Participants in YIEPP were paid wages that were fully subsidized by the federal government.

MDRC's evaluation of YIEPP concluded that program operators delivered on the job guarantee. They developed an adequate number of jobs to keep up with the flow of enrollees,

---

<sup>2</sup> Note that the previously-mentioned findings on welfare and earnings impacts in West Virginia are on for only women on AFDC, *not* for men on AFDC-UP. The research design for men on AFDC-UP addressed different questions, focusing largely on the implementation of a "saturation" program in which the goal was to enroll as many men into Unpaid Work Experience as possible. The research design for AFDC-UP recipients did not involve random assignment and produced less conclusive evidence than the evaluation conducted on AFDC recipients.

and provided a total of 45 million hours of work for more than 76,000 youths. Most of the jobs were typical entry-level positions, with the largest categories being clerical, building maintenance, and community recreation aides. In an extensive study of program worksites, MDRC researchers concluded that most of the YIEPP worksites were of good quality, not "make work." Youths were generally kept busy; they were satisfied with their assignments; and their supervisors valued their work. The U.S. General Accounting Office conducted a separate audit of worksite quality, and reached similar conclusions.

What accounts for YIEPP's success in implementing a job guarantee for disadvantaged youth? The research suggests several factors:

- There was adequate funding to make the job guarantee real. This did not come cheaply; overall, during the 2 and one-half years of the demonstration, \$224.3 million was spent on program operations in the 17 demonstration sites, with 63 percent of that amount going to participant wages. In 1980 dollars, the cost of keeping a youth in the program for one year varied from under \$3,500 in the site with the lowest cost, to over \$6,100 in the site with the highest cost.
- The inclusion of private sector worksites contributed to the program's ability to provide quality work experience positions. Private sector cooperation would not have been possible, however, without the wage subsidy.
- The CETA prime sponsors generally had the necessary managerial experience and organizational relationships — particularly with the private sector — to develop large numbers of worksites. Importantly, the CETA prime sponsors handled the payroll and other program paperwork responsibilities, thereby minimizing the administrative burdens on worksites.
- There was broad-based support in most of the demonstration sites for the Youth Entitlement approach. CETA prime sponsors, mayors and other elected officials, school administrators, employers, and others in the community were all committed to the objective of guaranteeing jobs for low-income youth. Indeed, a high level of community support, combined with managerial capacity and other factors, was an important factor in the selection of the 17 demonstration sites out of the approximately 150 communities nationwide that applied to be in the project.

Some of these conditions would almost certainly be different in running a massive work program for welfare recipients. For example, any effort to provide jobs for everyone left on AFDC at the end of 2 years would have to be conceived and implemented on a much larger scale than YIEPP. It is also the case that work programs for welfare recipients have tended to be more controversial than youth employment programs. Nonetheless, the factors listed above — adequate funding; a broad-based job development strategy (possibly including the private sector); managerial expertise and linkages with employers; and widespread political, administrative, and public support — would seem to be essential ingredients for any large-scale job creation effort for AFDC recipients to succeed, regardless of whether the approach is Unpaid Work or paid community service employment.

TESTIMONY BY SENATOR DAVID L. BOREN  
ON "CREATING PUBLIC SERVICE JOBS"  
BEFORE THE EMPLOYMENT AND PRODUCTIVITY SUBCOMMITTEE  
OF SENATE LABOR AND HUMAN RESOURCES COMMITTEE  
REGARDING "COMMUNITY WORKS PROGRESS ACT OF 1993"

January 27, 1994

Some time ago, I was driving through my hometown of Seminole, and I saw a man on a street corner holding a sign: "I'll work for food for my family." He was standing outside on a very cold day with only a lightweight coat on. The Oklahoma wind was cutting through him as he pleaded for an opportunity to work so that he could feed his family for the day. As I stopped to talk with him about the difficulty of finding work, it became obvious to me that he was a proud person who sincerely wanted to work -- there were no jobs to be found.

Now, just as in the Great Depression, there are thousands of people across the country desperate not only to take care of themselves, but also to care for their families. Other Americans have lived their entire lives trapped in the cycle of dependency. As young people, they dropped out of school and into the streets. Their lives are filled with despair, joblessness, drugs, violence, and the dependency systems of welfare and prisons. They have never worked -- and many have had few, if any, role models to teach them the discipline of getting up every day and holding a steady job.

This situation is intolerable. In an era of increasing global competitiveness, we cannot afford to let an able and willing

workforce sit idle. Moreover, a government response that fosters dependency, rather than empowering Americans, is unacceptable. When President Franklin Delano Roosevelt was faced with a similar problem, he rejected proposals to establish programs giving people cash assistance only. "[C]ontinued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. We must preserve not only the bodies of the unemployed from destitution but also their self-respect, their self-reliance and courage and determination."

Not only are his words instructive, but we can also be inspired by the government program that FDR designed to cope with the economic and social dislocation of the Great Depression. He formed the Works Progress Administration to employ out-of-work Americans. The accomplishments of the WPA are impressive. The program employed 8.5 million people over the course of eight years.

The WPA participants built 651,000 miles of highways and roads, 78,000 bridges, 125,000 buildings, and approximately 600 airports. They built or renovated 8,000 parks, 12,800 playgrounds, 1,000 libraries, and 5,900 schools. Male and female workers taught over 200,000 adults to read, served over 600 million school lunches, produced more than 300 million garments for poor Americans, and organized 1,500 day care centers that served 36,000

children.

The example of the WPA resonated with me and several of my colleagues. The Chairman, the distinguished Senator from Illinois, and I realized that the impressive legacy of the WPA required this country to make an investment of \$90 million in today's dollars to build infrastructure, to revitalize our natural resources, and to provide opportunity, hope, dignity, and self-sufficiency for millions of unemployed Americans. By contrast, in the eight years between 1983 and 1990, the federal government spent over \$900 billion to provide all types of income-tested benefits to economically disadvantaged Americans. What has the country gotten for this immense expenditure of taxpayer funds? How have the lives of the recipients been improved?

Our expensive welfare system has managed to produce little more than subsistence-level payments to an increasingly alienated segment of American society. By simply handing people checks, the system has robbed them of any desire to be part of the communities where they live and of any motivation to succeed. Little is worse for a person's self-esteem than to have no reason to get out of bed in the morning and no useful work to perform, and to live in a culture where almost everyone else faces the same desperate situation.

The problem is only growing worse as more and more Americans

are forced onto the welfare rolls. The number of families on AFDC reached an all-time high in 1993, with an average monthly enrollment of almost 5 million families, as compared to a monthly average of 3.9 million in 1981. In 1993, an average of 14.2 million Americans were receiving AFDC payments and enrollment is only expected to increase.

The future of our nation's children is increasingly a future of welfare and dependency. The inner-city family is disintegrating. Eighty percent of children in some inner-city areas are born out of wedlock; 9.7 percent of our nation's children live in households not headed by either parent. Although the child's mother may live in the house, she is often a drug addict or a teenager who plays only a minor role in child-raising and imparts few, if any, values and notions of responsibility to her offspring. Over 9.5 million of our nation's children -- the hope of this country and our most precious national resource -- received AFDC payments in 1993.

Two years ago, Senator Simon and I, along with other colleagues introduced legislation to transform the welfare system and to address the broader problem of poverty and dependency. Our Community WPA program, based on the Great Depression program and complementary to the current welfare JOBS program, received enthusiastic and bipartisan support. President Carter endorsed the Community WPA because it "will help create opportunity in

economically disadvantaged communities, while increasing their fiscal well-being and raising the quality of life through projects which provide tangible community benefits."

The call for welfare reform comes from all parts of the political spectrum. Taxpayers resent supporting an astronomically expensive system with very few tangible benefits in return for what is being spent. Welfare beneficiaries, in the meantime, are becoming increasingly alienated from mainstream American society. There is no question that the idleness encouraged by the current welfare system contributes to increased crime rates, drug abuse, family disintegration, higher school dropout rates, and many other serious social programs.

I am optimistic that Congress will succeed in passing welfare reform as well as health care reform this year. Welfare reform is a top priority of the Clinton administration in the upcoming year as evidenced by the State of the Union address on Tuesday night. The President also said that he plans to revamp our nation's jobs programs by consolidating existing programs to provide "one stop shopping" for those seeking public assistance to find gainful employment. I agree with the President but I believe that the revamping of existing programs must be a part of a larger effort to reform welfare in a way that encourages recipients to find jobs.

Preliminary discussions of the proposals being considered by

the administration's welfare reform task force indicate it is considering welfare reform along lines that are strikingly similar to the Community WPA. Both his proposal and the Community WPA are based on the one common-sense principle: if you are able to work, you will have the opportunity to work.

The Community WPA plan will advocate providing welfare recipients with cash assistance, education, and training for only a limited period of time; thereafter, people would be required to work in community service projects or find other employment. The program is constructed so that it reaches not only women with dependent children, but also so that it includes as many unemployed men as possible. Requiring participation from AFDC recipients alone cannot meet this objective because 92 percent of AFDC families have no father living in the home. A number of men can be required to participate through the AFDC-Unemployed Parent program that was established in 1990 to offer assistance to children of two-parent families who are need because of the unemployment of one of their parents. Americans who are receiving unemployment compensation can choose to participate in projects. Many other men not counted in official unemployment figures are falling through the cracks in the current system because they have never held a job entitling them to unemployment compensation or they have never received AFDC benefits. This legislation reaches some of these Americans by including positions for unemployed persons in any Community WPA project.

Another group of men can be involved in the Community WPA by requiring the participation of unemployed non-custodial parents who in arrears in their child support payments. This provision also promises to help bring some of our nation's children out of poverty. According to a report by the Commission on Interstate Child Support, about 10 million mothers were entitled to child support payments in 1989, but only 5.7 million had support orders or agreements and only half of them actually received payments. As much as \$25 billion in child support may be uncollected now, much of which would go to helping to lift single mothers and their children out of poverty. By employing noncustodial parents who owe such child support, the Community WPA can provide a way for them to meet their financial obligations to their children.

Participants who are receiving AFDC or unemployment compensation will work the number of hours equal to the lowest benefit paid in their State divided by a rate of pay determined by the Secretary of Labor after consultation with an advisory committee. It is my belief that the rate of pay should be approximately the minimum wage. It is important that pay be sufficient but not so attractive that participants lose any incentive to search for private employment once they acquire necessary job skills.

To assure that each participant has time to seek alternative employment or to participate in alternate employability enhancement



National Association of  
Service & Conservation Corps

STATEMENT OF KATHLEEN SELZ  
BEFORE  
THE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY  
SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES  
"CREATING PUBLIC SERVICE JOBS"

JANUARY 27, 1994

Mr. Chairman and members of the Subcommittee, I am Kathleen Selz, Executive Director of the National Association of Service and Conservation Corps (NASCC). It is a pleasure to have this opportunity to speak on behalf of the nation's youth service and conservation corps.

Today, there are more than 90 youth corps around the country with total annual operating budgets of almost \$162 million. When I testified before you in May of 1992, there were just 65 corps programs with total budgets of \$131 million. The youth corps field has grown since you last heard from us.

Twenty of these programs are statewide; the majority, however, are locally-based. Most corps operate year-round, although some operate only during the summer. Collectively, the corps engage more than 20,000 young adults in full-time community service programs each year.

Corps programs operate under a variety of organizational arrangements. Some are part of tribal, state or local government agencies; others are free-standing non-profit organizations. Corps derive financial support from a wide range of public and private sources, as well as fee-for-service contracts. A few corps, most notably those in California, Florida and Ohio, are residential programs which often offer young people the opportunity to work in wilderness settings; most, however, are non-residential, so corpsmembers live and provide service in their own communities.

Our membership includes some of the oldest and largest corps, such as the California Conservation Corps, and some of the newest, including 30 that have been created since June 1992 -- some with funding from the Commission on National and Community Service and others with state, local and JTPA support. Let me add that the field has benefited from and is grateful to you, Mr. Chairman, and to Senator Wofford for the "corps-friendly" provisions in the 1992 JTPA Amendments. Members of the Subcommittee might be especially interested to note that we have corps in Iowa, Maryland, New Mexico, Pennsylvania, South Carolina, and New Hampshire.

## Who Are Corpsmembers?

Although corps are made up of a racially and culturally diverse mix of young people, the typical corpsmember is at risk of "not making it" economically and educationally. Many corpsmembers have children and live in households receiving public assistance. The majority of young people enter corps without a diploma or GED; most are among the "Forgotten Half" of youth who never pursue higher education. Some enter the corps to gain a GED; others to learn skills or earn a wage; still others enter in order to be more involved in their community. Many corpsmembers find that the corps dramatically changes their lives for the better.

Today I have brought along copies of NASCC's new publication -- **TURNING IT AROUND**, which presents corpsmembers and their supervisors, talking about what happens in the corps and the difference it makes in their lives and in their communities. Their stories provide ample testimony to the fact that the corps do offer greatly-needed opportunities for young people who need a second chance as well as for those who never had a first chance.

## Corps and Job Creation/Job Training

Corps provide work, training and a community for those who are on welfare, are unemployed, have dropped out of high school or have been involved in the criminal justice system. Corps provide jobs, job training, and the vital link to the greater job market. Without a corps, most corpsmembers would be unemployed or working at unskilled jobs without a future. Corps provide participants with a variety of hard skills, such as those needed for forestry, trail maintenance, bridge building, recycling, carpentry, painting, human service administration, and direct care delivery.

Participants also master the "educational tools" necessary for these projects. Corpsmembers learn the value of work and explore their goals, skills, aptitudes and preferences. Corpsmembers learn the important basic skills of writing a resume, interviewing, and seeking out available jobs. Finally, corps assist participants in making the transition from the corps to other work, placing them in jobs, apprenticeship programs and internships. Through attainment of education and job skills, current and potential welfare recipients instead become members of the paid labor force. Corps thus function as an excellent example of a "welfare to work" program.

Corps supply the access to education that some corpsmembers need in order to become truly job-ready. They accommodate a broad range of educational needs from corpsmembers preparing for the high school equivalency exam to those who have a high school diploma or GED and want to try out college-level learning and earn college credits. Corps also assist corpsmembers who have low basic skills or who are limited in English proficiency.



National Association of  
Service & Conservation Corps

## **WHAT ARE YOUTH CORPS?**

Conservation and service corps programs -- youth corps -- harness the energy and idealism of young people to meet the needs of communities, states, and the nation. Corps programs engage young people, generally 16-25 years old, in paid, productive, full-time work which benefits the young people and their communities.

**Corps work.** Participants in corps programs -- corpsmembers -- most often work in crews or teams of eight to twelve with a paid adult supervisor who sets and models clear standards of behavior. Youth corps crews undertake a wide range of work projects. Some are similar to the forestry and parks projects of the Civilian Conservation Corps of the 1930s; others fill gaps in the services of urban parks, renovate housing, and assist human service agencies. All corps projects meet community needs and allow young people to serve as community resources. Most corpsmembers receive at least minimum wage for their work.

**Corps educate.** Corpsmembers devote part of each week to improving their basic education skills and preparing to search for future employment. Many corps also provide education about life skills, such as budgeting, parenting, and personal health and well-being. Corps programs encourage corpsmembers to engage in tangible acts of citizenship, such as voting. Some corps offer educational scholarships or cash bonuses to corpsmembers who complete their term of service.

**Corps are widespread and growing.** More than 100 youth corps operate in 36 states. Some of these programs are statewide; the majority are locally-based. Most corps operate year-round, although some operate only during the summer. More than 20,000 young adults nationwide are currently serving in youth corps. Funding for corps comes from a variety of sources including state, county and municipal appropriations, fee-for-service contracts, foundations and corporations, as well as federal job training and community development block grants. During 1992 and 1993, the National and Community Service Act of 1990 provided funding for corps through grants to states. In September 1993, the National and Community Service Trust Act (P.L. 103-82) was signed into law by President Clinton. The Trust Act allows corps to apply for funding through statewide population-based and competitive grants.



National Association of  
Service & Conservation Corps

## **WHAT IS NASCC?**

The National Association of Service and Conservation Corps is the membership organization for youth corps programs. Since its founding in 1985, NASCC has served as an advocate, central reference point and source of assistance for the growing number of state and local youth corps around the country.

NASCC's primary mission is two-fold: to strengthen the quality of existing youth corps programs and to promote the development of new ones. To accomplish this NASCC:

- ▶ provides written and on-site technical assistance to new and operating corps and those in the planning stages;
- ▶ maintains an Information Clearinghouse on youth corps policies, programs and practices, as well as the overall status of the youth corps field;
- ▶ sponsors an Annual Conference for youth corps staff and corpsmembers;
- ▶ undertakes a wide range of policy development and public affairs activities to bring the value of youth corps to the attention of policymakers, the media, the philanthropic community and general public;
- ▶ organizes professional development workshops for corps program directors and other staff on a range of policy, program and management topics;
- ▶ participates in national coalitions such as the Working Group on National and Community Service Policy and the National Youth Employment Coalition; and
- ▶ publishes an annual Youth Corps Profiles, a quarterly newsletter--**Youth Can!**-- and other information bulletins on issues of importance to the field.

NASCC is a non-profit corporation governed by a board of directors which is composed of corps program directors from throughout the U.S. and prominent citizens. NASCC receives support from membership dues and registration fees, as well as from foundations and corporations, including the DeWitt Wallace-Reader's Digest Fund, the William and Flora Hewlett Foundation, the W.K. Kellogg Foundation, the Charles Stewart Mott Foundation and the Xerox Corporation.



# THE UNITED STATES CONFERENCE OF MAYORS

1620 EYE STREET, NORTHWEST  
WASHINGTON, D.C. 20006  
TELEPHONE (202) 293-7330  
FAX (202) 293-2352

TESTIMONY BY

THE HONORABLE MICHAEL WHITE  
MAYOR OF CLEVELAND

BEFORE

THE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY  
COMMITTEE ON LABOR AND HUMAN RESOURCES  
UNITED STATES SENATE

JANUARY 27, 1994

SENATOR SIMON, MEMBERS OF THE COMMITTEE, I AM MICHAEL WHITE, MAYOR OF CLEVELAND, A TRUSTEE OF THE U.S. CONFERENCE OF MAYORS, AND THE CHAIRMAN OF THE NATIONAL CONFERENCE OF DEMOCRATIC MAYORS. THIS IS AN IMPORTANT HEARING, AND I AM THANKFUL FOR THE OPPORTUNITY TO PARTICIPATE. IT IS IMPORTANT BECAUSE IN THIS MOMENT IN AMERICA, THE MOST POWERFUL COUNTRY IN THE WORLD, THERE ARE MILLIONS OF SCARED AMERICANS AND DESPERATE AMERICANS- -BLACK, WHITE, BROWN, YELLOW AND RED. . . FROM EAST, NORTH, SOUTH AND THE WEST. . .WHITE COLLAR, BLUE COLLAR AND NO COLLAR, WHO ARE DESPERATE AND AFRAID BECAUSE THEIR AMERICAN DREAM OF GAINFUL EMPLOYMENT HAS BEEN SHATTERED BEYOND BELIEF.

IT IS FOR THESE AMERICANS, BOTH URBAN AND SUBURBAN, FOR WHOM I HAVE COME TO SPEAK.

WE URGE YOU TO ENACT LEGISLATION THIS YEAR WHICH WILL ESTABLISH A JOBS PROGRAM THAT WILL ENABLE US TO PUT AMERICANS TO WORK AT JOBS FOR WHICH THERE IS A REAL NEED.

CENTERS AND IN OUR SENIOR CITIZEN FACILITIES. WE NEED TO KEEP OUR PARKS CLEAN AND MAKE IMPROVEMENTS IN THEM. WE NEED TO PROVIDE RECREATIONAL ACTIVITIES FOR OUR CHILDREN. WE NEED HELP IN OUR HOMELESS SHELTERS AND SOUP KITCHENS. AND WE NEED CREWS WHO CAN UNDERTAKE NEIGHBORHOOD CLEANUP AND IMPROVEMENT PROJECTS.

SOME JOBS MAY REQUIRE SKILLED WORKERS; MANY MORE WILL JUST REQUIRE PEOPLE WHO CAN GAIN THE NEEDED SKILLS ON THE JOB. REGARDLESS, WE KNOW THE PEOPLE ARE THERE. UNEMPLOYMENT RATES IN MANY CITIES REMAIN WELL ABOVE THE NATIONAL AVERAGE. WHEN YOU ADJUST THE OFFICIAL UNEMPLOYMENT RATE TO INCLUDE DISCOURAGED WORKERS AND PART-TIME WORKERS SEEKING FULL-TIME JOBS, THEN THE REAL UNEMPLOYMENT RATE FOR CITIES IS MORE THAN TWICE THE NATIONAL AVERAGE.

IN MY OWN CITY OF CLEVELAND THE OFFICIAL UNEMPLOYMENT RATE IS MORE THAN TWICE THE NATIONAL AVERAGE. BUT IN SOME SECTIONS, THE UNEMPLOYMENT RATE APPROACHES 50 PERCENT,

CRIME AND VIOLENCE WILL ONLY INCREASE. THIS LACK OF JOBS, THE REAL ROOT CAUSE OF CRIME, WILL FURTHER THE DECLINE OF OUR COMMUNITIES, BOTH URBAN AND SUBURBAN, AND MAKE THEM MORE LIKE WAR ZONES.

ASK YOURSELF. . .WHEN WAS THE LAST TIME A GAINFULLY EMPLOYED CITIZEN IN YOUR HOMETOWN PARTICIPATED IN A DRIVE-BY SHOOTING . . .MUGGED A LITTLE OLD LADY. . .SOLD DRUGS ON THE CORNER, OR ROBBED A BANK. CITIZENS WHO HAVE HOPEFULNESS DON'T BY AND LARGE COMMIT THESE CRIMES BECAUSE, BY VIRTUE OF THEIR EMPLOYMENT, THEY FEEL A PART OF THEIR SOCIETY.

IF WE ARE TO REWEAVE AMERICA'S SOCIAL FABRIC, WE MUST ATTACK THE JOBS DEFICIT WITH A VENGEANCE NEVER SEEN BEFORE. THE CHALLENGE OF CREATING JOBS FOR OUR CITIZENS IS NOT A HAND OUT, BUT A HAND UP. AND IT SURE BEATS THE SOCIALLY DEBILITATING EFFECT OF WELFARE. HOW MANY ALTERNATIVES ARE THERE FOR PEOPLE WHO CANNOT WORK FOR THEIR LIVELIHOOD, WHO CANNOT FIND EMPLOYMENT TO PROVIDE FOR THE NEED OF

PUBLIC SERVICE JOBS PROGRAMS -- PROGRAMS CREATED THROUGH THE COMMUNITY WORKS PROGRESS BILL, THROUGH WELFARE REFORM OR THROUGH SOME OTHER VEHICLE -- BE VIEWED AS POSITIVE, IMPORTANT PROGRAMS FOR A COMMUNITY AND FOR THOSE WHO DO THE JOBS. PROVIDING A POSITIVE WORK EXPERIENCE ALONG WITH NEEDED INCOME TO THE WORKER AND GETTING A NEEDED JOB DONE FOR THE COMMUNITY ARE THE IMPORTANT ELEMENTS.

AGAIN, I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOU THIS MORNING AND WILL BE HAPPY TO RESPOND TO ANY QUESTIONS YOU MIGHT HAVE.



AMERICAN PUBLIC WELFARE ASSOCIATION

Kevin W. Concannon, President

A. Sidney Johnson III, Executive Director

**WRITTEN TESTIMONY**

**OF**

**THE AMERICAN PUBLIC WELFARE ASSOCIATION**

**PRESENTED BY**

**AUDREY ROWE, COMMISSIONER  
CONNECTICUT DEPARTMENT OF SOCIAL SERVICES**

**BEFORE**

**THE SENATE LABOR AND HUMAN RESOURCES  
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY**

**THURSDAY, JANUARY 27, 1994**

## Introduction

Good morning Mr. Chairman and members of the subcommittee, my name is Audrey Rowe. I am the commissioner of the Connecticut Department of Social Services. I am testifying today on behalf of the American Public Welfare Association (APWA). APWA is a 64-year-old nonprofit, bipartisan organization that represents all of the state human service departments plus local welfare agencies and individual members.

Thank you for the opportunity to testify today on the very important issue of public sector job creation. It is an issue central to the upcoming welfare reform debate, and one I know that is of primary interest to you, Mr. Chairman, and the work of this subcommittee.

In my testimony today, I would like to briefly summarize APWA's recommendations for reform of the welfare system released at a press conference here on Capitol Hill two weeks ago. The recommendations are the culmination of a year's work by APWA's Task Force on Self-Sufficiency, of which I am a member. I would also like to specifically address those recommendations from our recommendations on job creation and then discuss the challenges that lie ahead in creating community service and Community Work Experience (CWEP) jobs for AFDC recipients facing a mandatory work obligation.

### APWA Task Force on Self-Sufficiency Recommendations

On January 11, 1994, APWA released a series of recommendations that state and local human service administrators see as the critical next steps in restructuring the welfare system. The recommendations represent a consensus of opinion among a broadly diverse group representing the variety of state views on welfare policy. Our Task Force includes commissioners from many of the states--including my own--that have undertaken or plan to undertake demonstration projects through the federal waiver process. The APWA recommendations, Mr. Chairman, *are the first bipartisan recommendations for welfare reform* in the current welfare debate. We hope they will not be the last bipartisan recommendations you will receive.

Our recommendations reward and support hard work. Under our proposal, everyone is required to do something with the goal of using welfare as a temporary source of support. There will be penalties for those AFDC parents who fail to take their responsibilities seriously. No one is penalized, however, if resources aren't available or if jobs do not exist.

### *Agreement of Mutual Responsibility*

Our proposal is based on the premise that welfare should reflect mutual responsibilities on the part of the parent and welfare agency. When applying for AFDC the parent must sign what we are calling "an Agreement of Mutual Responsibility." If the parent refuses to sign the agreement, the application process stops. The parent would not be eligible for financial assistance.

In signing the agreement both parties enter into a contract. The welfare agency agrees to provide financial assistance and the individual agrees to participate in: (1) an assessment of his/her education and literacy needs, work experience, strengths and interests, and personal circumstances; and (2) the development of an employability plan outlining goals for employment, the responsibilities of the parent and the agency in meeting these goals, and the specific steps to be undertaken.

### *Basic Elements of the Program*

We propose a three-phase program, building on the current Job Opportunities and Basic Skills (JOBS) Training program in which, within 90 days of eligibility determination, all AFDC recipients will be required to participate in mandatory job search in combination with:

- A JOBS preparation phase; or
- Up to a limit of two years in a JOBS career-focused education and training phase; and/or
- A JOBS mandatory work phase in which AFDC parents would be required to work in an unsubsidized private-or public sector job, with CWEP available as a last resort for those who complete JOBS and are unable to locate unsubsidized work.

There are no exemptions from participation in JOBS under our proposal.

### JOBS Preparation

Individuals who enter the JOBS preparation phase would include those the welfare agency believes have such limited skills or whose personal circumstances present barriers to employment such that they need more than two years of education and training. They could include individuals temporarily incapacitated due to a physical or mental illness or because of a substance abuse problem; those caring

for an incapacitated adult or child in the household; individuals with very low literacy levels and no recent work history; young parents still in school, or mothers of very young children. These individuals, nevertheless, would participate in an activity as a condition of eligibility, such as parenting skills training, regularly receiving necessary health or behavioral health care and making progress on or completing their GED or high school diploma as identified in their employability plan.

APWA is proposing a "graduation rate"--an outcome-based performance standard measuring parents' movement out of the JOBS preparation phase-- as a requirement for states to meet to ensure that participants in JOBS preparation move on to career-focused education and training.

### Career-Focused Education and Training

Individuals who enter the JOBS career-focused education and training phase are those the state believes will be employable after up to two years of education and training or those, while they might be considered for JOBS preparation, volunteer to participate in education and training. States would operate the program as they do today--offering a full range of services and activities to promote job readiness and employment. Everyone will participate in job search. They will be expected to begin the process of looking for and going to work from the very beginning. Our goal is to ensure that individuals obtain employment without having to face a mandatory work obligation.

### Mandatory Work Requirement

After two years in education and training participants will be required to work. *Our highest priority is that these individuals work in unsubsidized employment in the private or public sectors. We call for a variety of approaches to ensure that this happens, and I will detail those for you in a few moments.*

For those not working in unsubsidized employment, we recommend placement in Community Work Experience, *but only as a last resort.* As stated in our report, "While administrators anticipate a significant expansion of CWEP because of the increased numbers of AFDC parents required to participate in preemployment or employment activities, they note that it will have limited value for parents who are job ready and have previous work experience."

Individuals working at least 20 hours per week are considered meeting the mandatory work requirement under our proposal. Those working at least 20 hours per week and still receiving AFDC will continue to receive child care, support

services and other employment and training assistance necessary to enable them to stay employed. If a parent cannot find work and agency resources are not available to support a parent's satisfactory participation in a work activity, including CWEP, the mandatory work requirement will not be imposed.

### *Penalties*

I want to underscore that sufficient federal and state resources must be provided to ensure those participating in any phase of JOBS can meet the requirements for satisfactory participation. On the other hand, if AFDC parents fail to participate in the development of their employability plan or comply with the plan as required we propose a penalty reducing the family's combined AFDC and food stamp benefit by 25 percent. We believe such a penalty is realistic and necessary for any parent who fails to take their responsibility seriously.

### *Other Policy Priority Areas for APWA*

The report also addresses issues of prevention and cross-system collaboration. It takes the challenge of reform beyond the welfare system. The center-piece of our proposal is work, but the goal of true reform cannot be fully achieved if we do not "make work pay", including enactment of health care reform that ensures universal health care coverage, access to quality child care options, and making sure that everyone who is eligible takes full advantage of the expansions in the Earned Income Tax Credit recently enacted by Congress. As President Clinton said in his State of the Union address on Tuesday 15 million people will be lifted out of poverty as a result of this expansion. We must make sure that everyone does so.

We must improve the establishment of paternity and the enforcement and collection of child support with particular attention focused on improving interstate enforcement of child support. Currently, the easiest way to avoid child support is merely to move to another state. We call specifically for states to provide uniform rules for jurisdiction of orders through the Uniform Interstate Family Support Act (UIFSA), a model law developed by the National Conference of Commissioners on Uniform State Laws.

We also call for expanded funding and improved access to available federal funds for the current JOBS program--both before and after welfare reform legislation is enacted and implemented by states. In addition, we should act now to simplify and coordinate existing public assistance programs. In doing so, our report calls for enactment of 57 legislative and regulatory proposals for simplification and coordination of AFDC and food stamps identified by state and local administrators through the APWA National Council of State Human Service Administrators.

And finally, Mr. Chairman, as you know the majority of states are pursuing state-based reforms of the welfare system through waivers of federal laws and regulations. Congress created this mechanism to encourage state experimentation and innovation. We believe a number of the waivers now being granted to states by HHS and USDA should not have to meet the tests of cost neutrality and experimental design. We call for more flexibility within the current process, including allowing states to use the state plan process to implement changes in AFDC and food stamp programs.

### **Job Creation**

Our proposal emphasizes the need for employment that results in family self-sufficiency as the successful endpoint for both client and agency efforts. *We underscore the preference for jobs in the private sector—the primary source of our Nation's economic growth and development.*

We recognize the lack of private sector jobs available today for many Americans who are poor. We therefore call for creation of a new, adequately funded job creation strategy to support employment of low income individuals in the *private sector*. We propose targeting 75 percent of the new jobs created under this new initiative to JOBS graduates and 25 percent to unemployed economically disadvantaged youth and adults.

We believe that under an adequately funded welfare reform program, expansion of on-the-job training, work supplementation, and the use of the Targeted Jobs Tax Credit can serve as useful tools in the placement of JOBS graduates in private sector jobs. We recognize, however, that these placement tools are now used on a small scale and will likely serve only to supplement other job creation efforts.

We commend Congress and the President for creation last year of the National Service Corp. We believe that National Service can and should serve as a valuable work and education alternative for AFDC parents and their children. We believe, however, that AFDC recipients should become a target group under the program. In fact, we recommend that AFDC recipients be identified as a target group in any new or reauthorized community development, economic development, or private sector job creation program enacted by Congress. I believe such targeting is much more feasible—politically and fiscally—than creating a new, separate public service jobs program for AFDC recipients facing a mandatory work obligation under welfare reform.

## Community Work Experience

There will undoubtedly be much debate about the efficacy of CWEP as a primary source of jobs for AFDC recipients facing a mandatory work obligation. Human service administrators understand the challenges posed by operating CWEP, since we have been responsible for administering such programs. Our experience tells us that we must have realistic expectations about the efficacy of operating a large scale program as the cost of CWEP can be high and labor intensive—developing worksites, providing supervision, monitoring and followup with the employer and the client, etc. We know from the research conducted by the Manpower Demonstration Research Corporation in the 1980's that CWEP is feasible to operate and that participants and supervisors found the work meaningful. The programs we have operated in the past—and those studied by MDRC—were small in scale with little evidence to support that CWEP leads to consistent employment or earnings or reductions in welfare caseloads or costs.

We know there are differences among states in terms of their success in identifying employers and sustaining a growing program. Our recent experience with implementation of the new work requirement under the JOBS program for two-parent families on AFDC illustrates of the challenges of operating an expanding CWEP program. Some states have found it easier than expected to develop slots, but harder than expected to fill them. Private nonprofit organizations are eager for manpower, but their needs don't always match the skills of the available pool of workers. Some employers have become frustrated with attendance rates, which can be low for a number of reasons, including lack of transportation or child care or illness of the child or adult. For other employers, CWEP has been a great experience and they are very enthusiastic about the program.

Some states have found that because of the lack of liability insurance coverage employers are not willing to accept CWEP clients. The degree to which this is an issue varies across states, but generally we have found that some state worker compensation laws do not provide sufficient liability coverage or require purchase of separate liability coverage. Some states report they do not require separate liability coverage, but have sought to purchase coverage anyway only to find that state laws prohibit purchasing or requiring employers to purchase such coverage unless federally mandated. Still others report that private carriers who would normally carry coverage for nonprofits do not want to do so. Again, we are not talking about a large problem, but clearly one that has surfaced and has been an impediment in some states.

For those states with bargaining agreements with public sector unions, the use of CWEP clients in state or local government agencies has posed a problem. For

unions, concerns about displacement and use of CWEP clients performing work covered under a bargaining agreement have led to opposition to the program. For some states, such opposition has led to use of nonprofits almost entirely for CWEP.

In Connecticut we've been able to establish a new partnership between the state of Connecticut Departments of Labor and Transportation and the Connecticut Employees Union Independent to provide the opportunity for 100 General Assistance recipients to receive six months of paid on-the-job training in road and highway maintenance. Funded by the Department of Labor Subsidized Transitional Employment Program (STEP), the program provided participants with training that would enable them to acquire a Commercial Driver's License (CDL) and perform a wide variety of public works functions. In November, 83 recipients successfully completed the training program and moved into temporary highway maintenance jobs with the Department of Transportation. The graduates will work for the Transportation Department for five months or until they get permanent positions. As vacancies arise, the DOT will offer permanent positions to program graduates.

In sum, the challenges posed by CWEP are significant as we move to scale. I caution you again against having overly high expectations about the efficacy of this approach in moving large numbers of recipients into unsubsidized employment or in reducing caseloads or costs. On the other hand, if we can address some of the impediments that limit the number of potential worksites and cost of operations, CWEP can serve as a structured, meaningful work activity for states, and the AFDC recipients facing a mandatory work obligation.

Thank you again, Mr. Chairman for the opportunity to testify today. I would be happy to answer any questions you may have.

## TESTIMONY

*Before the U.S. Senate Subcommittee on Employment and Productivity*

*by Lella Hardaway, Deputy Director Social Services  
Franklin County Department of Human Services (Columbus, Ohio)*

*10:00 a.m. ♦ January 27, 1994*

Mr. Chairman and members of the Committee:

I appreciate the opportunity to appear before you today. I am here to share my experiences with the Community Work Experience Program (CWEP), which includes previous welfare to work programs in the State of Ohio and Franklin County in Columbus, Ohio.

In the early 1960's, Ohio developed a work relief program for General Assistance recipients which is the predecessor to the present Community Work Experience Program (CWEP). In 1981, Congress gave states the authority to develop CWEP activities for recipients of Aid to Families with Dependent Children (AFDC).

Ohio developed legislation to implement a comprehensive employment, education and training program for recipients of AFDC and General Assistance. This legislation mandated a variety of program activities to satisfy the needs of all levels of recipients; Job Club, Community Work Experience Program, Subsidized Employment Program and Education and Training alternatives. In 1982 legislation was passed which authorized initial demonstration programs in five counties beginning in 1983.

During the first two years, the CWEP component was by far the largest component, with approximately two-thirds of all participants assigned to CWEP. The CWEP component essentially took over the GA Work Relief program in the counties, grandfathering in most of the participants. The utilization of Job Club and Education and Training components varied by county.

During this time, CWEP was found to provide tangible services in the community while providing an opportunity for participants to gain work experience which increases their work skills, establishes work habits, creates employment references and promotes self-esteem and personal motivation. The community linkages and service provision positively promote the work program and dignity of public assistance recipients in each county.

Individuals associated with the program throughout the state such as worksite sponsors, employers, program participants and staff, generally view the program positively. The positive feelings impact on the non-work program activities including family life, children's attitudes and self-development. The program delivers welfare savings to taxpayers and produces job training, education and self esteem. Many outcomes will never be reflected in statistical summaries.

As each county gained experience in operating the programs, the focus shifted to education and training in some counties.

Ohio continued to phase in counties under the Ohio work program until the passage of the Family Support Act of 1988. By this time, 41 of Ohio's 88 counties were participating in work programs.

As a result of the legislation, CWEP was expanded to provide experience and training for individuals not otherwise able to obtain employment in order to assist them to move into regular employment. CWEP is required for all mandatory participants who are not involved in other components. CWEP is for persons who have completed Job Club and did not secure employment for those who are waiting to enter Job Clubs or Education and Training or for those who would benefit from the experience gained from working in various job sites which may be assigned.

Franklin County has made tremendous progress in working with our public assistance residents. We are innovative, conduct pilot programs, have won awards and have won recognition in the area of getting jobs for our participants.

We are particularly pleased with our Community Work Experience Program, (CWEP). We do not accept the reputation of CWEP as a "make work" government project, we believe CWEP can be used to train for and lead to jobs, in other words, to create jobs. We demonstrate how this can be accomplished in our own agency where we use CWEP placements to fill needed positions, train them while they are placed and hire those who demonstrate they can do the job.

During 1992 the Franklin County CWEP program was restructured. Agreements with worksites were updated, new job descriptions were written, and the handbook for procedures was revised. New CWEP placements were actively sought by members of the JOBS staff.

Members of the Resource Unit of JOBS, whose responsibility it is to conduct the CWEP program, are constantly working to identify sponsors that can provide entry

---

level positions and train ADC recipients to fill the jobs. Unit workers identify needs of clients, review resumes, work histories and educational experiences in order to place them in appropriate job settings. Some of the types of jobs CWEP workers fill are: word processors, clerk typists, receptionists, computer operators, data entry clerks, maintenance workers and other entry level positions. New site development has resulted in placements in the City of Columbus Municipal Court, City of Columbus Health Department, Division of Sewers and Surveillance Laboratory for Lab Assistants. Hospitals have accepted JOBS participants in the OB/GYN clinic where they receive experience to prepare them to enter the Columbus State Community College's nursing program. CWEP placements have led to employment in the Salvation Army and the Columbus Metropolitan Library.

During 1993 a monthly average of 936 CWEP workers were assigned to work a total of 383,302 hours during the year. This estimate of labor value resulted in \$1,650,283.00 for the year.

In 1993, over 80+ CWEP participants received full-time employment as a result of their CWEP experiences. CWEP participants were hired in the public nonprofit sector, private nonprofit agencies and in the private sector. Those hired in the private sector were first placed in the public sector where they gained experience, then found full-time jobs in the private sector based on their experience.

As you know, CWEP placements are restricted to positions in public or private nonprofit agencies. However, people were placed in jobs in the private sector as a result of their experience in CWEP. We believe the private sector should become involved with CWEP for job creation in entry level positions.

The success of our Job Development Unit in marketing our program to employers in the private sector has convinced us that private sector placements can be located for CWEP participants.

Our marketing efforts include regular breakfasts to which key community employers are invited to discuss job possibilities. A presentation explains the services we have available to employers, particularly applicant screening, computerized position/applicant matching, and retention assistance after the JOBS participant is employed, including an expense allowance and transitional benefits during the first year of employment.

As a part of our marketing program, we have also organized a Business Advisory

---

Board for the JOBS program. The purpose of the advisory board is to provide input regarding employer/employee trends in Franklin County and to assist with the creation of positive interaction with the general public. Volunteers from the business community who serve on the Board were recruited at the Employers' Breakfasts.

JOBS needs to locate or create more moderate-paying jobs with medical benefits. We constantly work to achieve this goal and are hopeful that our marketing will produce results. Our goal is to locate job opportunities which are permanent and offer a higher standard of living to our employed participants. We believe this goal can be achieved through marketing to private sector employers, expansion of CWEP placements to the private sector and expanding the OJT component.

We need your understanding of the possibilities and legislative action to achieve private sector placements for participants assigned to CWEP.

In closing, please know that while improving job creation is essential it is important to note that the welfare population is not homogeneous. Different types of services work best for certain types of recipients. If the policy objective is to reduce long-term welfare dependency, then employability development services, career planning, basic education, job development, training and extensive individual social services must be available.

To achieve this goal, I recommend that you pass legislation which will:

- ♦ Allow flexibility of program design at the state and local levels.
- ♦ Permit private sector involvement in job creation including CWEP.
- ♦ Market CWEP assignments to employers the same as OJT.
- ♦ Review the current CWEP policy of calculating the hours of participation after the first nine months at the prevailing wage. This policy is counterproductive to the requirement mandating ADCU participants to work at least 16 hours per week because the prevailing wage may be high enough to reduce the mandated hours of participation. It is also detrimental to states in meeting the participation rate based on twenty hours per week.

Thank you again for the opportunity to speak before you today.

# THE COMMUNITY WORKS PROGRESS ACT OF 1993

(S. 239)

## \*\*\*EXECUTIVE SUMMARY\*\*\*

### APPLICATION

- o The Secretary of Labor awards grants to States to establish community works progress programs.
- o The projects must serve a significant public purpose in fields such as health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety and child care.
- o A project must result in a specific, identifiable service or product that would not otherwise be done with existing funds and that supplements, but does not supplant, existing services.
- o A project must be completed within two years, unless a longer period is approved by the Secretary.
- o Not more than 10% of the amount of each grant may be used for administrative expenses. Not less than 70% of the amount of each grant must be used to provide compensation and supportive services to participants.
- o When considering the applications, the Secretary would consider criteria which would include the unemployment rate for the area in which the project will be conducted, the proportion of the population receiving public assistance in each project area and the extent to which private and community agencies will be involved in projects.

### PARTICIPANTS IN THE PROGRAMS

- o AFDC recipients, including participants in the AFDC-Unemployed Parent program. AFDC recipients who have been participating in the JOBS program for two years must be assigned to a community works progress project. Any other AFDC recipient may also participate in projects.
- o Unemployment compensation recipients (including those who have exhausted unemployment compensation while working on a project).
- o Noncustodial parents of children who are receiving AFDC benefits.
- o Noncustodial parents who are not employed and who are at least two months in arrears in payment of court-ordered child support.
- o Unemployed persons who have been unemployed for at least 35 workdays prior to their placement in a project.

## **JOB SEARCH REQUIREMENTS**

- o To assure that each participant has time to seek alternate employment or to participate in alternate employability enhancement activity, no one can work on a project more than 32 hours a week.
- o All participants are required to participate in job search activities that the Secretary deems appropriate.
- o States are encouraged to pay AFDC or unemployment benefits and any additional compensation in one check to reinforce the perception that the compensation is based on the work done by the participant.
- o Each participant is eligible to receive assistance to meet necessary costs of transportation, child care, vision testing, eyeglasses, uniforms, and other work materials.

## **MISCELLANEOUS**

- o Participants receiving AFDC will be required to work a minimum number of hours determined by the amount of benefits they receive. Participants who work additional hours will be compensated at a rate of pay set by the Secretary of Labor, in consultations with labor, business leaders, community groups, and others.
- o The Act establishes an interdepartmental task force to identify any other Federal funds that could be directed for use in Community Works Progress programs and to suggest modifications in policies or procedures to suggest modifications in policies or procedure to implement such recommendations.
- o Each participant shall be tested for basic reading and writing competence prior to employment on a project. Participants who fail the test shall receive counseling and instruction. Participants with limited-English speaking ability shall also receive appropriate instruction.

103D CONGRESS  
1ST SESSION

# S. 239

To provide grants to States for the establishment of community works  
progress programs.

---

## IN THE SENATE OF THE UNITED STATES

JANUARY 27 (legislative day, JANUARY 5), 1993

Mr. BOREN (for himself, Mr. SIMON, Mr. INOUE, Mr. REID, Mr. DASCHLE,  
Mr. PRYOR, and Mr. LEVIN) introduced the following bill; which was read  
twice and referred to the Committee on Labor and Human Resources

---

## A BILL

To provide grants to States for the establishment of  
community works progress programs.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Community Works  
5 Progress Act of 1993".

6 **SEC. 2. ESTABLISHMENT.**

7 The Secretary of Labor (hereafter referred to in this  
8 Act as the "Secretary") shall, in consultation with the  
9 Secretary of Health and Human Services, award grants

---

## **Clinton Presidential Records Digital Records Marker**

---

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a publication.

---

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.

---