WORKING GROUP ON WELFARE REFORM, FAMILY SUPPORT AND INDEPENDENCE

WR-JOBS

TO: David Ellwood
Mary Jo Bane
Bruce Reed
Wendell Primus
Kathi Way

FROM: Helene Grady, WRWG staff

SUBJECT: MDRC report on Unpaid Work Experience for Welfare Recipeints

DATE: October 1, 1993

Attached is a summary copy of MDRC's report on Unpaid Work Experience. They have sent it to us so that you could see it before the California hearing. The full report should arrive next week, and we will forward it to you.

Aerospace Building • 370 L'Enfant Promenade, S.W. • Suite 600 • Washington, D.C. 20447

MANPOWER
DEMONSTRATION
RESEARCH
CORPORATION

MDRC

Three Park Avenue
New York, NY 10016-5936
Tel: (212) 532-3200 Fax: (212) 684-0832

Regional Office:
88 Kearny Street, Suite 1650
San Francisco, CA 94108
Tel: (415) 781-3800 Fax: (415) 781-3820

October 1, 1993

Dear Member of the Working Group on Welfare Reform, Family Support, and Independence:

I am pleased to share with you the summary of a forthcoming report, prepared under a grant from the Rockefeller Foundation, which reviews MDRC's studies of welfare-to-work programs that included Community Work Experience Programs (CWEP) and similar approaches. I hope the paper is useful as you consider unpaid work experience and other alternatives in your upcoming hearings and deliberations.

MDRC's studies indicate that it was feasible to operate unpaid work experience programs, although they were run on a limited scale (the largest kept more than 1,900 slots filled, but the remainder filled fewer than 400 positions during the research period); for a small percentage of the welfare population (for instance, single parents with pre-school age children usually were excluded); and for a short period of time (work assignments typically lasted three months). The small scale of the programs is important to keep in mind, because unpaid work experience operated at a saturation level could lead to different effects than those detected by MDRC. In the few studies in which MDRC was able to isolate the impacts of unpaid work experience apart from a program's *overall* impacts, there was little evidence that it led to positive employment and earnings effects or to reductions in welfare receipt and payments. However, the work assignments were meaningful, and most participants thought that the work requirement was fair. In 1993 dollars, the costs *per participant* of administering unpaid work experience ranged from approximately $700 to almost $2,100. The variation was due to such factors such as length of the assignment; who was targeted; and whether unpaid work experience was offered alone or in combination with other activities. The value of the work performed generally made these programs a worthwhile investment for taxpayers.

The paper suggests that unpaid work experience may or may not be a good policy option depending on which goals the Clinton Administration hopes to achieve. On the one hand, unpaid work experience may reinforce the social obligation of welfare -- the idea that able-bodied recipients have a responsibility to work in return for assistance -- and may lead to valuable work performed for government and community agencies. On the other hand, unpaid work experience may not be an effective means of increasing self-sufficiency or reducing welfare receipt.

A copy of the full report will be sent to you under separate cover. I welcome your questions and reactions.

Sincerely,

Judith M. Gueron
President

JMG/yv

MDRC WORKING PAPERS

ADVANCE PRE-PUBLICATION MATERIAL

Section I, "Introduction and Summary of Key Findings and Lessons"

from

UNPAID WORK EXPERIENCE FOR WELFARE RECIPIENTS:

Findings and Lessons from MDRC Research

Thomas Brock
David Butler
David Long

Manpower Demonstration
Research Corporation

September 1993

The Manpower Demonstration Research Corporation's report on the findings and lessons from unpaid work experience programs was funded by a grant from The Rockefeller Foundation.

Publication and dissemination of MDRC reports is also supported by our Public Policy Outreach funders: the Ford Foundation, The Ambrose Monell Foundation, Alcoa Foundation, and Exxon Corporation.

I. Introduction and Summary of Key Findings and Lessons

> It's time to honor and reward people who work hard and play by the rules. That means ending welfare as we know it. . . . *Empower people* with the education, training, and child care they need for up to two years, so they can break the cycle of dependency; expand programs to help people learn to read, get their high school diplomas or equivalency degrees, and acquire specific job skills; and ensure that their children are cared for while they learn. After two years, *require those who can work to go to work*, either in the private sector or in community service; provide placement assistance to help everyone find a job, and give the people who can't find one a dignified and meaningful community service job.[1]
>
> -- Bill Clinton and Al Gore, *Putting People First*

The goal of requiring welfare recipients to work is a staple of American politics. President Clinton and Vice President Gore are the most recent to advocate a work obligation, but over the years this goal has been put forward by Presidents Reagan, Carter, and Nixon -- and by various congressional leaders, state governors, and state legislators.[2] Work requirements may assume different forms, but one approach that has been tried in the past is unpaid work experience, sometimes called "workfare."[3] This involves the assignment of welfare recipients by welfare agencies to community service jobs, either in government or in the private nonprofit sector, as a condition of public assistance. To help inform policymakers who may be contemplating unpaid work experience as a component of time-limited welfare, this paper summarizes what is known about unpaid work experience programs from a series of evaluations conducted by the Manpower Demonstration Research Corporation (MDRC) during the 1980s and early 1990s.

Unpaid work experience has often engendered controversy. Supporters claim it interjects the work ethic into a welfare system that has traditionally given away something (that is, cash assistance) for nothing. They also contend that unpaid work experience prepares welfare recipients for the labor market by teaching them good work habits and skills, at the same time enabling important community work to be performed. Finally, proponents suggest that unpaid work experience may lower welfare costs, either

---

[1]Clinton and Gore, 1992, pp. 164-65 (emphases in the original).

[2]See Jansson, 1988; Rein, 1982; and Steiner, 1971.

[3]The term *workfare* has various meanings. Sometimes it is used narrowly to describe programs that require welfare recipients to work a prescribed number of hours to "earn" their welfare grant. Workfare is also used more broadly to refer to any program that imposes an obligation on welfare recipients, possibly including unpaid work experience but also activities such as job search, education, and vocational training. To avoid ambiguity, this paper uses "unpaid work experience" in the first, narrow sense, and "welfare-to-work program" for the broader definition.

by getting people jobs or deterring them from applying for or staying on welfare. Critics dismiss these claims, questioning whether enough meaningful jobs can ever be created at a reasonable cost without displacing existing workers. Opponents also doubt the effectiveness of unpaid work experience in getting people employed and off welfare. Lastly, critics question the fairness of forcing welfare recipients to work, given the probability that welfare recipients will not be accorded the same rights, remuneration, or status of regular employees. The MDRC evaluations cannot resolve the values choices implicit in such a debate, but can help clarify the possibilities and limitations of unpaid work experience.

MDRC studied several programs in states and communities across the United States that adopted various approaches of operating unpaid work experience, which, in most cases, was a component of a larger welfare-to-work program that consisted of job search assistance and other activities in addition to unpaid work experience. Nearly all of the MDRC evaluations involved random assignment of eligible Aid to Families with Dependent Children (AFDC) recipients into different groups, with some people assigned to a program group that was eligible for unpaid work experience or other services, and others to a control group, which was not. In essence, the control group represented the world *without* a welfare-to-work program. The difference in welfare and employment outcomes for program and control group members thus yielded a reliable estimate of program achievements.[4]

Three of the MDRC studies (San Diego I; Cook County, Illinois; and West Virginia) were designed to isolate the impacts of unpaid work experience on welfare recipients' employment rates, earnings, and use of welfare. In addition, a total of nine MDRC studies examined the design and implementation of welfare-to-work programs that include unpaid work experience; participation patterns in welfare-to-work programs generally and in unpaid work experience in particular; and the costs — and benefit-cost ratios — of unpaid work experience. MDRC also conducted surveys of unpaid work experience participants and supervisors to determine their attitudes toward the value and fairness of these assignments. All of the programs evaluated by MDRC targeted predominantly female, single-parent recipients of AFDC; approximately half of the programs also targeted recipients of AFDC-U (typically fathers), which provides cash assistance to two-parent households in which one or both of the parents are unemployed.

There are some questions about unpaid work experience — particularly those related to a time-

[4]There have been other studies of welfare-to-work programs (not summarized in this paper), but few of these programs featured unpaid work experience as a central feature. In addition, few studies outside of those conducted by MDRC have used random assignment. For a review of major welfare-to-work programs evaluated by MDRC and others, see Greenberg and Wiseman, 1992; and Gueron and Pauly, 1991.

limited welfare proposal — that the MDRC evaluations *cannot* answer. First, the evaluations are not able to explain the effects of unpaid work experience for people who have been on welfare for at least two years and who have been offered two years' worth of education, vocational training, or other employment-related services. This is a different approach than was used in the programs MDRC studied, although a number of the programs *did* serve people who had been on welfare for a long time, and used unpaid work experience after an initial activity such as job search. A second issue that the MDRC evaluations cannot address is the feasibility or effects of running unpaid work experience as an *ongoing* requirement for *all* groups of welfare recipients who meet certain eligibility criteria within a state or across the nation. In most instances, the programs studied by MDRC assigned welfare recipients to unpaid work experience for a period of three months. The evaluation sites usually encompassed several communities or regions of a state, and targeted a fraction of people on welfare. (Most programs, for instance, did not target single mothers with children under the age of six.) Unpaid work experience — operated on a wider scale, for more people, with an unlimited participation requirement — possibly could be different in nature and result in different effects, particularly on welfare utilization.

With these caveats in mind, MDRC's research on unpaid work experience programs offers the following lessons:

- First, unpaid work experience was nearly always operated on a limited scale, for a small percentage of the eligible welfare population, and for three-month periods (although in several programs, some participants were assigned to unpaid work experience for more than one three-month stint). An exception was in West Virginia, where unpaid work experience was run on an ongoing basis for AFDC and AFDC-U recipients and, in four "saturation" areas, sufficient worksites were available for virtually *all* AFDC-U recipients able to participate. The limited use of unpaid work experience was often a function of program design, as when it followed other program activities (like job search) or was one of many program options that staff or clients could choose. In other instances, unpaid work experience was constrained by staff opposition, administrative difficulties, or insufficient resources.

- Second, there is little evidence that unpaid work experience leads to consistent employment or earnings effects. In the few studies where MDRC was able to isolate the effects of unpaid work experience, statistically significant, positive effects on employment and earnings were found in only one instance: for the predominantly female, single-parent AFDC applicants in San Diego I. Even this finding warrants qualification: The positive employment and earnings effects were attributable solely to those applicants who were assigned to the program group during the last half of the evaluation (there was no effect for applicants assigned to the program group in the earlier cohort).

- Third, it is not clear from the limited evidence that unpaid work experience leads to reductions in welfare receipt or welfare payments. In the San Diego I and Cook County

(Chicago) evaluations, unpaid work experience combined with job search led to small but statistically significant overall reductions in welfare payments and, during some quarters of the follow-up periods, a small but statistically significant reduction in the number of people on welfare. These reductions were *not* significantly greater than those achieved by running job search alone. In other words, unpaid work experience yielded no "add-on" effect. In West Virginia – where unpaid work experience was the sole program activity – there was no significant overall reduction in welfare payments for female, predominantly single-parent AFDC recipients. There *was* a small decrease in the percentage of people receiving AFDC at the end of 21 months, but longer-term follow-up on the earliest group of enrollees suggests that this effect did not persist.

- Fourth, while unpaid work experience may have provided free labor to worksite sponsors, it was not free to administering agencies. Some of the major expenses to administering agencies included worksite development; client intake, assignment, and monitoring; and support services (like child care) and work allowances for participants. In 1993 dollars, the costs of unpaid work experience *per participant* ranged from approximately $700 to almost $2,100. The costs varied depending on factors such as how long the assignment lasted (three months was the norm, but in some locations participants averaged more or less time in the activity); who was targeted; and whether unpaid work experience was offered alone or in combination with other activities. The *annual* cost *per filled slot* for welfare recipients in the programs ranged from approximately $700 to nearly $8,200. The annual cost per filled slot was lowest in programs that operated on a relatively large scale. West Virginia – the largest program studied by MDRC – kept more than 1,900 positions filled during the period it was studied; Cook County – the second largest – kept nearly 400 positions filled.

- Fifth, insofar as unpaid work experience contributed to the work of governmental and community nonprofit organizations, it had value to the public-at-large. Owing to this, the benefits to *taxpayers* of running unpaid work experience usually outweighed the costs of running the programs. In San Diego I and West Virginia, the net *gain* to taxpayers (i.e., all program benefits – including the value of output by worksite participants – minus all program costs) ranged from roughly $260 to $1,000 per program group member. However, in Cook County, Illinois, there was a small net *loss* to taxpayers. The net value to *welfare recipients* was less clear. In some cases, increased earnings and fringe benefits were greater than increased taxes and reduced welfare; in other cases, the net effect on recipients' income was negative.

- Sixth, participants in unpaid work experience positions and their supervisors reported that the work was meaningful. It may not have taught welfare recipients new skills, but neither was it "make work." Most participants thought that a work requirement was fair, but they also would have preferred a real job.

- Seventh, to run unpaid work experience on a large scale, the MDRC studies suggest that the essential ingredients are sufficient funding; strong staff commitment to the program; adequate worksite capacity; clearly articulated procedures for assigning clients to worksites, monitoring client participation, exempting clients who cannot work, and sanctioning clients who do not comply; and support for the program (or at least lack of opposition) from labor unions, welfare advocacy groups, and others in the community.

The remainder of this paper explores these issues and lessons further. Section II begins with a short history of unpaid work experience programs from the 1960s to the present. Section III describes the design, scale, and participation patterns of nine welfare-to-work programs evaluated by MDRC that included unpaid work experience. Section IV examines the experiences of clients assigned to unpaid work experience, based on surveys of participants and worksite supervisors. Section V presents the impacts of three welfare-to-work programs that were structured in such a way that the effects of unpaid work experience on employment rates, earnings, welfare receipt, and welfare payments could be isolated. Section VI describes the costs and benefit-cost results for unpaid work experience. Finally, Section VII explores key administrative and operational issues that unpaid work experience programs have had to address in the past and that may need to be resolved in the future if unpaid work experience is run on a large scale as a part of a time-limited welfare plan.

REFERENCES FOR SECTION I

Clinton, Bill; and Gore, Al. 1992. *Putting People First: How We Can All Change America.* New York: Times Books.

Greenberg, David; and Wiseman, Michael. 1992. "What Did the OBRA Demonstration Do?" In *Evaluating Welfare and Training Programs*, ed. Charles F. Manski and Irwin Garfinkel, 25-75. Cambridge: Harvard University Press.

Gueron, Judith M.; and Pauly, Edward. 1991. *From Welfare to Work.* New York: Russell Sage Foundation.

Jansson, Bruce S. 1988. *The Reluctant Welfare State: A History of American Social Welfare Policies.* Belmont, Calif.: Wadsworth.

Rein, Mildred. 1982. *Dilemmas of Welfare Policy: Why Work Strategies Haven't Worked.* New York: Praeger.

Steiner, Gilbert Y. 1971. *The State of Welfare.* Washington, D.C.: Brookings Institution.

AMERICA WORKS

WR - JOBS

WELFARE TO WORK DEMONSTRATION

ISSUE - HOW TO REDUCE WELFARE DEPENDENCY, CREATE A REVENUE NEUTRAL MECHANISM TO FINANCE A JOB EFFORT, REDUCE THE BUDGET DEFICIT, STIMULATE PRIVATE INVESTMENT AND MAKE GOOD ON TWO YEARS AND OFF

PURPOSE -

Initiate a national demonstration of a fully performance based welfare to work program for 500,000 people annually for five years. Federally funded under the Family Support Act (FSA) but state implemented, private sector run welfare to work companies would be encouraged to invest in mounting programs which only if successful would be paid. This proposed demonstration is based upon America Works' successful nine year experience in two states. Review of America Works' experience and other programs focusing on jobs first as a welfare strategy suggest a major role for this type of approach. The key elements are:

•For five years place approximately 10% of the welfare population into jobs each year.

•Save 67.5 billion dollars during the five years in cost savings, half of which can be used to reduce the deficit and the other half can be reinvested into an increasing fund for welfare to work.

•Stimulate private capital investment into welfare to work programs.

•For the first time in welfare to work programs direct government to pay only for successful welfare reduction, not for programs regardless of their impact.

BACKGROUND -

1. The Aid to Families With Dependent Children Program was established in the 1940's to help widows and their children. It has grown into a massive entitlement program.

2. There are over five million families on AFDC and the welfare rolls are growing. The costs have reached 150 Billion dollars. Of those on welfare, 60% stay for more than five years. Researchers say there is a trend toward longer term and intergenerational dependency.

America Works of New York, Inc., 704 Broadway, New York, New York 10003 (212) 529-2900 FAX (212) 614-0921

a cost savings to the taxpayer will be made. For as long as the individual remains off welfare a deposit will be made into the savings. Fifty percent will go into reducing the deficit and 50% will go into a new reinvestment fund. This fund will be a new entitlement for jobs pool. Based upon the above calculation 38.75 billion dollars would be available for future welfare to work programs.

•The demonstration will be totally performance based. The organizations delivering the service will only get paid when a person goes into a full-time job and have retention of 90 days thereafter.

•The demonstration will not require local match. It will be fully federally funded. However the program operation funds will be expanded by the use of Work Supplementation funds (see Jobs Regulations in FSA) for private sector jobs.

•There will be an on-going evaluation of the effectiveness of the approach and the true costs savings.

•Federal and participating State laws will be amended to allow reinvestment of savings from welfare into job programs which are paid only if they get a person off welfare.

IMPLICATIONS -

1. This will build the capacity through job placement to implement a two years and off welfare if that becomes policy.

2. A fund will be created out of welfare savings to fund employment efforts in the future.

3. Through the evaluation component there will be hard evidence of the outcomes and value of the demonstration.

4. The performance based contracting model, if proven to be more effective will be adopted throughout the employment and training system.

TENSION ENVELOPE CORPORATION

BERT BERKLEY
CHAIRMAN OF THE BOARD

819 East 19th Street / Kansas City, Missouri 64108-1781
816-471-3800 / Fax 816-283-1498

Manufacturing Facilities: South Hackensack, NJ • St.Clair, Pa • Winston-Salem • Memphis
St.Louis • Des Moines • Minneapolis • Kansas City • Marysville, KS • Ft.Worth • Los Angeles

WR-
JOBS

KANSAS CITY SOCIAL SERVICES PROJECT

In Kansas City, Missouri, there is occurring a quiet but startling revolution in the administration of social services funded by the state and the federal government. It ranks as a major breakthrough in American governance.

Thanks to the wisdom of Gary Stangler, Director of Missouri's Department of Social Services, and the driving initiative of Bert Berkley, a Kansas City business and civic leader, a 23-person lay commission will have responsibility for coordinating social services and seeing to it that all federal and state monies ($273 million) coming into Kansas City for AFDC, Medicaid, child care, food stamps, etc., are well spent.

The decision is a ground-breaking recognition that the capacity to solve the problems of a major city may lie in the city itself. The 23-member commission, known as LINC (Local INvestment Commission) is composed of representatives from all major segments of the community, including business, labor, neighborhood representatives, welfare recipients and so on.

LINC will undertake to reform the human services system at the community level. It has been given authority to do what needs to be done. It will concentrate on outcomes, with emphasis on prevention. Self-sufficiency for the individual within a healthy community is a primary goal. There will be seven areas of concentration: children and families, the aging, health care, housing and safety, school-linked clinics, welfare reform and economic development.

The program may herald a new era in which government resources are a catalyst for fundamental, forward-looking change guided by the community itself.

Address inquiries to:
Bert Berkley
LINC
3100 Broadway, Suite 226
Kansas City, MO 64111

TENSION ENVELOPE CORPORATION
819 EAST 19TH STREET / KANSAS CITY, MO 64108-1781 / 816 • 471-3800

Local INvestment Commission (LINC)

LINC is a unique entity in Kansas City composed of lay people who have the responsibility for seeing to it that $273,000,000 for social services are well spent.

All federal and state monies that come into Kansas City for AFDC, Medicaid, child care, food stamps, etcetera, are the responsibility of a 23-person commission composed of representatives from all major segments of the community, including business, labor, neighborhood representatives, and participants (those actually receiving welfare payments). There is broad diversification.

The primary objective of LINC is to reform the human services system at the community level. LINC also acts as a coordinating entity for all human services initiatives with an emphasis on two-way communication. The Commission concentrates on outcomes with emphasis on prevention. Self-sufficiency for the individual is a primary goal.

Gary Stangler, Director of the Department of Social Services, State of Missouri, recognizes the importance of local control, and has given authority to the Commission on the basis that they can do what needs to be done as long as it is not illegal or immoral.

LINC has identified seven areas for concentration: children and families, the aging, health care, housing and safety, school-linked clinics, welfare reform and business development.

A waiver has been granted by Health and Human Services to allow welfare recipients to retain their benefits while earning money from employment in the private sector.

Possibly, for the first time the resources of government have been brought into alignment with the capacity of a community to solve its own problems.

Kansas City's Local INvestment Commission represents a new era in which government resources are a catalyst for fundamental, progressive change by a community.

Factories: So. Hackensack / St. Clair / Winston-Salem
Memphis / St. Louis / Des Moines / Minneapolis
Kansas City / Marysville / Ft. Worth / Los Angeles

Presentation by Bert Berkley

First LINC Commission Meeting
Princess Garden Restaurant
November 16, 1992

I very much appreciate the fact that you've made the commitment you did when you raised your right hand tonight. I agree with you that we are in the position to do something really constructive for children and families in this community; and together we can bring about some results that have never been experienced before, anywhere.

Incidentally, the reason we're here tonight at the Princess Garden, for a very different kind of a meal, is because I want you to remember; the OLD WAY IS OUT, CHANGE IS IN. What we have to do is change the system. We have to not think in terms of "demonstration projects" and "isn't that wonderful . . .," "I'll get a pat on the back . . ." and then it slowly but surely fades away. What we want to do is change the system.

I've been asked, "What's your vision for LINC? There have been lots of words written pertaining to vision. My vision comes from an old African proverb:

"It takes a VILLAGE to raise a child."

We have to tap into the compassion of this community. We have to listen. We have to respond. We have to empower. We have to let those who are involved develop solutions for the people they are dealing with . . . for the welfare mom, for the abused child, for the jobless who want to work. And you might say, "Well, how really serious are the problems?" The problems are extremely serious. This is not the "11th hour;" it's one minute before midnight!! There is despair in this country about saving ourselves that is beyond anything you can imagine. It goes from the inner city of Kansas City to the highest ranks of those in Washington, D.C. And the reason that's true is because it's recognized that we're destroying ourselves from within. We have to work it out; so that what Marian Wright Edelman said is changed. She said that 1 in 5 children in this country live in poverty.

One in five! That's enough to make you cringe. We have to reform the social services.

I've made several trips back to Washington, and talked to people at the Department of Health and Human Services; and when I first meet them, I sit down and say a little bit about LINC; and then I say, "There's an old saying: 'If it ain't broke, don't fix it'--but this one's broke!" Everyone agrees, immediately. They understand that. And while I might have thought that the biggest problem we might have here is the Department of Social Services because there's a tendency to think in terms of "they're going to gore our ox;" they are delighted that the LINC Commission is being formed, and that we're now in existence. They want to change what they're doing. They want to be flexible, they want to be responsive. We want to put them in a position that they feel good about what they're doing. And where should we concentrate? Our concentrations must be on outcomes--on worker discretion; listening to customers, and working with other reform efforts in this community. We have many fine partnerships, as have been discussed here this evening. We have many fine programs. We want to strengthen those partnerships and those programs, and see that they are even more successful.

Tonight we talked about Lee Shore's book for just a moment. That book was published in 1989. Most of those demonstration projects--not all, but many of those demonstration projects--are no longer in existence. And why? Because the money dried up, and that's why we can't think in terms of a demonstration project. We must think in terms of changing the system. We must think in terms, as she says, of outcomes; and that's were we are going to be concentrating. One of the things that agencies often report at the end of the year is that "last year we serviced 900 clients". Seldom, if ever, did they look to see what happened to those 900 individuals. What we want to do is service 200 clients, and change their lives!

Allow me to tell you a problem that this commission must come to grips with. Every individual who comes to the door must be served. We cannot turn people away, so we have to find a way to change lives for the better for everyone who asks for help. Do you realize that a social worker--not just in Kansas City, but it's true in Kansas City--can't write a check for $200 to give somebody help that is desperately needed at that particular moment? And yet, we allow that social worker to make a decision that changes that person's life. It isn't right. We have to trust the social worker. We have to believe in that individual. We have to believe in the nurses, the counselors, the eligibility workers--those who are on the firing line making things happen.

In my business, and I know in whatever you do, you listen to your customers. We send our people out to see somebody, and we say, "Are we doing alright?" If they say, "Yes, you are," when we say, "Well isn't there something we could do to do better?" And if something's wrong, we scramble. We do everything in our power to make it right as quickly as possible! The social worker is in that position--to listen. Therefore, that individual must be empowered so something can be done very quickly at the time they are with the people who need help.

There's a wonderful story in the social work field about the social worker who received a call from a welfare mom, and the social worker was invited over for coffee. What a breakthrough! She had been living for the day when she didn't have a formal relationship, and here she was invited over to talk. When she got there, there were six other social workers. The welfare mom said, "I thought it would be a good idea if you met. Each of you has something to do with my family."

That's terrible. That's not the way it should be done. We don't want this social worker for one child, another social worker for another child and somebody else for grandmother. We don't even want to have a situation where we have one person for health, one person for mental health, and another person for Head Start. We have to have what is commonly referred to as "one-stop shopping," meaning we have to trust the social worker. And, incidentally, on this issue of different social workers serving different children in the same family--Gary Stangler can give you horror stories about how a social worker walked in and was responsible for "Child A," and "Child B" was near death, and nothing was done. Absolutely unbelievable that this kind of thing could happen. We have to change things, and we are capable of doing so.

I want to reemphasize the importance of the many programs that are going on in this community--and partnerships. I want you to remember that our objective is to strengthen those partnerships and those programs. On October 30, a gentleman named Ira Barbell was in Kansas City. He's a senior associate of the Annie E. Casey Foundation. He said that change in the social work field is four or five times more difficult than in business, and four or five times more difficult than if they continue doing exactly what they're doing today. Well, is it just because these people object to change more than the rest of us? No. It's because they have two serious problems to contend with: one is political--they're under the gun from the politicians, if anything goes wrong with the politician's constituency; and the other thing is they're subject to the press, the public, whatever you want to call the media which is looking down their throat all the time.

There has to be change. LINC can be the bridge. We can be the vehicle that educates this community to the importance of change. We can create that climate. And that climate is essential if we are going to get our job done. Interestingly enough, at state there is little or no vehicle for change. But we have to institute change; and we must recognize that if we do it wrong, if this commission does it wrong, it can be highly demoralizing. We have to handle change in a constructive, mature, progressive manner. And I'm confident from what I've learned up to this point we'll have the kind of cooperation we want.

Ira Barbell said something else. He said, "Focus on systems change--focus, focus, FOCUS!!" Please bear that in mind. He went on to say that you can't have six-inch manuals and expect people to change. Ladies and gentlemen, we have departments of the Department of Social Services, State of Missouri, that have manuals that are over six inches thick, and a mind set to go with it. "If it ain't in the book--don't do it." Why is that the case? The reason is because the system is driven by error rates. You must avoid mistakes, you may not waste even a few dollars. The result, very simply, is that there is not worry about outcomes. We have to concentrate on outcomes.

But why has it been like this? Because these people are afraid. They've been burned by the media--Gary Stangler can tell you stories you wouldn't believe, and the individual has been burned by the system: step out of line, or try something creative, and you don't get the promotion. It's as simple as that. We have to be responsible for changing the rules; and in doing so we have to work with the Department of Social Services, we have to work with Health and Human Services in Washington, we have to work with state and federal legislators. And we're going to be successful doing it.

The reason we're going to be successful is because of this blue ribbon commission--people of this caliber--who are thwarted in honest efforts to improve things. We must see to it that we encourage innovation, collaboration, risk-taking and opportunity seeking.

Let's talk for a moment about the commission. Gary has already explained that we are agents, and we have no legal liability. You should also know that Gary has said that he will not veto what this commission does--as long as it's legal, as long as it's reasonable; and, therefore, anything we do that's reasonable we will be able to continue with. Hopefully, Gary will be at our side to give us advice and counsel as we go along; but I do want to make it very clear: this commission is acting as a Board of Directors, and we are an independent body. Our decisions count.

There will be seven committees that are involved with LINC. Originally, in the write-up you received, there were five: children and families; aging; health care;

school-linked social services; and welfare reform, or teaching people how to get a job and to hold it. We are adding two to that, on the economic side, based on our conversations last week about 21st Century Communities: one is housing; the other is business development--meaning someone will have to go around to every medium-size and large business in this community and hopefully convince them to put a business in the inner city.

(At the Commission meeting Tuesday morning, November 17, it was agreed to add a safety committee, our eighth.)

One of our objectives is to get people off welfare--off welfare. And with 21st Century Communities and the "living wage" that we have talked about, that is a very practical possibility.

Gayle Hobbs is our executive director. I've been working with Gayle for a number of months now. Gayle, as she indicated to you, had the responsibility for youth services in the 28 counties of northwestern Missouri. She has been with the Department of Social Services for 17 years, and she knows the Department from the inside. Gayle is energetic, she's frank, and her opinion counts. I can tell you that I could not be more delighted with an executive director than I am with Gayle. We are very fortunate to have Paula Cardello as her assistant. She is our deputy coordinator. The one person that Gayle wanted was Paula, and I'm very pleased that Gary saw fit to do that. For the five committees that we have on the social services side, there will be one staff person for children and family services and the other four committees will be divided between two staff persons. We will have two staff persons for housing and business development. We hope that the business community and the foundations will give consideration to funding those two positions.

As far as the committees are concerned, we need names from you as to who you would like to have on the committees. When we announced LINC originally, we asked for names, and Gary has a number of names for committees in-hand; but we didn't want to name those committees until there was an opportunity for this commission to give their recommendations to Gary. I hope you do understand that the decisions are made by Gary. You can send your recommendations for committee people and professional cabinet people for each committee directly to him; or you can call Gayle, or you can call me, and we will certainly pass them along. Gayle's number is 889-3160, mine is 471-3800, and Gary's is 314/751-4815. I'd like to have your nominations by the end of next week.

One of the things I've learned is that training for Department of Social Services people has been neglected. They have been receiving some technical training, but most have not even been trained in the human needs of children and families.

They have been trained to work for the benefit of the system, rather than for the benefit of those they are serving. Frankly, they have never worked with the lay community. They have never worked with a commission like this. They've not worked with lay committees, and they're somewhat fearful. They're fearful that they might be criticized. And one of the things you're going to be seeing tomorrow is a very complete, thorough training draft that is being discussed with the Kauffman Foundation with the thought that they may be helpful in funding, thereby creating first class training. When you're in touch with people from the Department of Social Services, please make them feel at ease. That goes for agencies, as well.

I want to remind you that there are quite a few people in the system who are looking forward to what LINC is going to be able to do, because they want to change things; and when the time comes that you are in contact with those people, let's be sure we give them full credit for what they're doing.

I want to make it clear that on this commission and on the committees there are no professionals. We are all lay people that are on the commission and committees. The reason for that is very simple: if we had an agency head, for example, on this commission and money went to that individual's agency, every agency in town could be upset. So there are no professionals on the commission or the committees; but, and this is a very important "but," the professional cabinet will be with us all the time to advise us, to work with us; and, frankly, our success, to a large degree, is going to be based on the advice and counsel of the professional cabinet members who are going to be working with us. I think it's clear that the only thing that the professional cabinet does not have is the vote. They are expected to be at every meeting. We want their input. But all of us who have worked in the community know: it's not the vote that's important, it's the voice that's important. And each one of them will have a voice. Our meetings are going to be open. There are not going to be any secrets. If anybody wants to know what we're doing, information will be available to them. I should say, also, that the professional cabinet will not be chosen by throwing darts at a bunch of names. They will be very carefully selected; and the reasons they will be selected are: (1) because of the advice and counsel they can give us, and (2) because they are the kind of people who expect to be challenged on what they're doing. They want to know that there are some other avenues that can be suggested to them so they can do a better job. So it's not just advice to us--it's input to them. That's the kind of people we like to work with.

LIAISON. We must have liaison with the seven committees; so I would like to ask you to let me know with which committee you would like to be liaison. There will be three liaison members for each committee from this commission, so it's not a matter of your doing a great deal of extra work; but those committees want to know what the thought processes of this commission are, and you're going to interpret that for them. Obviously, when we have meetings and have input from the various committees, you evaluation will be extremely important.

I do want to make it clear that the most time-consuming work that's going to be done, is going to be done in the committees. That's for sure. But I think you should understand how important the work of this commission is. We have to make a determination of how well what the committees are doing is fitting together. We also have to make a determination of whether or not the change that we want to bring about is actually taking place.

WHAT ABOUT DOLLARS AND CENTS. The dollars and cents that will be under the auspices of this commission are $255 million. That will be for Kansas City, Missouri, south of the river. That's our test area. As soon as we make that work, we will obviously expand it to the entire community. $45 million of that $255 million is discretionary. What's not discretionary? What's mandated is AFDC, food stamps and Medicaid. We have to see to it that we're getting the dollars we should get, and we have to see to it that the dollars are being used effectively. What's discretionary? Child abuse and neglect; residential treatment; Futures, which is welfare reform; community-based services and child care. The key is seeing to it that we are getting the maximum dollars; and with both discretionary and non-discretionary funds, our responsibility is to see to it that the dollars are spent wisely.

Ladies and gentlemen, the responsibilities of this commission are awesome. For that reason, there will be no executive committee. We are not going to have a few of us making decisions for this entire group. We will have no executive committee, and for that reason I hope that you will plan to be with us when meetings take place. They are very important meetings.

The way we propose to work is to use the Demming Principle. Demming is the genius whom no one would listen to in the United States. He went to Japan and taught them now to make quality and become the commercial leaders of the world. We're going to use his principles in the hope that we can become the social work leaders of the world. We're going to use the program of Plan, Do, Study, Act. That means we are going to plan carefully for what we want to do. We are then going to do it. We are going to then study it, to determine that the test we just did is OK; and if not, we're going to take corrective action. Then we're going to act. But after we've acted, let's understand that nothing is in concrete. If we have to change so we can do a more effective job, we're going to change right then. Nothing is in concrete. We're going to concentrate on changing the process. We're going to concentrate on outcomes.

We're going to shorten time frames. One of the things I've learned is that those in government have a way of thinking in terms of years, where some of the rest of us might think in terms of month, even weeks. We have to create a sense of urgency. That urgency will make a big difference as to whether or not we're going to be successful, and others that are involved must have the same attitude we do.

How about evaluation? Evaluation is absolutely critical. I've already talked to Bill Eddy at UMKC. He will see to it that some of his top people are made available to evaluate what we do. We're going to evaluate the process, and we're going to evaluate outcomes. And we're not going to be an "inspector general." The way we do it is that we will have people establish a process, and then we will see to it that they are carrying out that process; and if they are not, they will understand that they are not and they will be able to correct it. Therefore, evaluation becomes an educational process, which is very important, as we deal with so many people in this movement.

I've said to Gayle, "Gayle, if I tell you something must be done this way, and you don't think that's the way it should be done, you're supposed to tell me." And I have told Paula exactly the same thing. I'm sure we all realize that we need the advice of our executives. We need the advice of our professional cabinet. We need the advice of our customers. We must learn from each other, and we are going to be well educated. Gary, Marty and Gayle have been working on that. We have to get educated, so we are in a frame of mind--have an understanding--that allows us to render the right decisions. At our 8:30 meeting tomorrow morning we are going to start a very interesting educational process.

We all recognize that this commission would not be possible, nor would our dreams mean anything, if it weren't for Gary Stangler. When he appointed the Business Roundtable over two years ago, you have to ask yourself what other person in his position in the 50 states would ask a committee to take a look at what he was doing and say how it might be done better--allowing the light of day to shine in? Well, Gary's got a great reputation in Kansas City and St. Louis, Springfield, Joplin, etcetera, all through the state of Missouri; but what you should know, and possibly you do, is that he is held in the highest esteem by people in Washington and across this country. What I'm concerned about is that somebody's going to take him away from us; and I'm going to put shackles on him so he stays in Missouri. We surely need him. He has a reputation of being a highly progressive individual.

One of the things that Gary taught me is that if we're going to make this thing work, we really have to have teamwork. We have to have a close, working relationship among those of us in this room; a close, working relationship with the committees; a close, working relationship with the professional cabinet. We have to develop a close, working relationship with the Department of Social Services and the agencies in town. And under that kind of a scenario we also have to have a close, working relationship with recipients.

It's up to us to structure an environment that allows that close cooperation; and in that structuring, I hope we will recognize that we are not so smart. We have to ask people how we are doing. We have to ask the participants. We have to ask the community. We have to see to it that there are ongoing reality checks. As I indicated to you before, there will be evaluations; and those evaluations can be very helpful, because they'll tell us how well we are doing.

Allow me to put a new word into your vocabulary. We always think of those who are on welfare as "clients" or "recipients." The new word is PARTICIPANTS. So from now on, when we talk about those who are involved, we talk about participants.

In the scheme of things, we need some initial successes. They don't have to be big successes; they can be very small successes, but they have to be successes. We will spend most of our first two meetings getting educated. After that we will continue the educational process, but there will also be more concrete action. We will see to it that we are in a position to make the kinds of decisions that start to change the system.

And now, a fact of life. A fact of life is that when LINC becomes better known, there are going to be the doubters. There will be those who will condemn us, as though we couldn't possibly get this done. And we must recognize that we, as a commission, don't have all the answers; but we must take the position that we will move forward, will learn from our problems and mistakes, we will make corrections, and we will move forward again.

Gary has indicated to you that no one else is doing this, and that's correct. No other local initiative--and there are a number of them around the country--has control of the money to the extent that we do. No other initiative has the close, close working relationship with the professionals that we have in this setup.

Charlie Bruner, from Iowa, said that "collaboration" is an unnatural act between non-consenting adults. That's about right in the social services field; but we must make collaboration a living, breathing, practical thing. And we can do it.

In my judgment, at no time has there been a need for each other to the extent there is today. I look forward to working with you. I look forward to the teamwork, to the good will that's going to allow all of us to be successful.

And, in closing, allow me to tell you a brief story. A well-known poet and author was on vacation on the southern coast of Spain. He went out very early one morning. The sun was just coming up, the rain had stopped, the rainbow was beautiful. As he looked down the beach, he saw a figure dancing on the sand. When he got a little closer he saw that it was a young man who was picking up something and throwing it into the water. As he got very close he said, "Young man, what are you doing?" The young man replied, "Well, I'm picking up starfish and throwing them into the sea." "Why are you doing that?" the poet persisted. And the young man answered, "You see, if the starfish is on the beach and the sun gets high, the heat will kill the starfish." "That's ridiculous," scoffed the poet. "There are thousands of miles of beach, and there are millions of starfish. You don't think that what you're doing can really make a difference?" Picking up yet another starfish and while throwing it into the sea, the young man replied, "It makes a difference to this one."

Thank you.

Local INvestment Commission
Kauffman Foundation
4900 Oak - Kansas City, MO
Forum Rooms 1 & 2
September 24, 1993

Bert Berkley

GOOD MORNING, LADIES AND GENTLEMEN. I AM DELIGHTED YOU ARE HERE.

TODAY I AM GOING TO ASK YOU TO MAKE THE MOST IMPORTANT DECISION THAT WILL BE MADE BY THIS COMMISSION, PROBABLY OVER THE NEXT SEVERAL YEARS.

ONE OF THE ISSUES EVERYONE IN THIS ROOM IS CONCERNED ABOUT IS WHETHER OR NOT IN THE LONG RUN LINC IS GOING TO BE SUCCESSFUL. THE COMMITTEES ARE DOING EXCELLENT WORK. THE RECOMMENDATIONS OF THE COMMITTEE MUST BE IMPLEMENTED BY D.S.S., AND THERE IS A QUESTION AS TO HOW EFFECTIVE THOSE RECOMMENDATIONS WILL BE CARRIED OUT. WE REALIZE WE ARE PLOWING NEW GROUND; BEING PIONEERS IN THE SOCIAL SERVICES FIELD. THE QUESTION IS DO WE HAVE THE INTESTINAL FORTITUDE, THE GUTS, TO CHANGE THE SYSTEM, CHANGE IT DRAMATICALLY, SO THE DELIVERY OF SOCIAL SERVICES WILL ONCE AGAIN BE EFFICIENT AND WE CAN HOLD UP OUR HEADS WITH PRIDE BECAUSE WE HAVE CREATED A WORKABLE MODEL FOR KANSAS CITY THAT WILL BE EMULATED THROUGHOUT THE COUNTRY.

ALLOW ME TO TELL YOU A STORY. ON JULY 14 I HAD A MEETING IN MY OFFICE WITH BILL DUNN, DAVID STANLEY AND FATHER TOM SAVAGE, ALONG WITH GAYLE AND PAULA. I HAD ASKED THE OTHER TWO VICE-CHAIRS, ADELE AND HERMAN, BUT THEY WERE OUT OF TOWN. THE PURPOSE OF THAT MEETING WAS TO BRAINSTORM JUST A LITTLE BIT ON HOW THIS COMMISSION COULD REACH DECISIONS. TO MY SURPRISE, WHAT CAME OUT OF THE MEETING WAS A SUGGESTION BY DAVID STANLEY THAT THE DIVISIONS OF THE DEPARTMENT OF SOCIAL SERVICES IN KANSAS CITY SHOULD REPORT TO A SEPARATE ENTITY. BILL AND TOM SUPPORTED THAT TO THE "NTH" DEGREE. I WAS NOT COMPLETELY CONVINCED, BUT BECAUSE THEY FELT SO STRONGLY ABOUT IT, I AGREED THAT GAYLE SHOULD PUT TOGETHER A PAPER ON THE SUBJECT OF HOW LINC WOULD OPERATE. THAT PAPER WAS ATTACHED TO THE NOTICE OF THIS MEETING. IT DOES NOT SPELL OUT SPECIFICALLY THE NEED FOR A DIFFERENT FORM OF GOVERNANCE FOR THE DIVISIONS IN KANSAS CITY, AND I WASN'T TOO UNHAPPY ABOUT THAT BECAUSE I WASN'T CONVINCED IT WAS NEEDED.

MY WIFE, JOAN, AND I WENT ON VACATION FOR 2-1/2 WEEKS IN COLORADO. THE FIRST SEVERAL DAYS OF OUR TIME WAS SPENT AT THE ASPEN INSTITUTE. THE ASPEN INSTITUTE IS A THINK TANK THAT BRINGS TOGETHER SOME OF THE BEST BRAINS IN THE COUNTRY TO TALK ABOUT INTERNATIONAL ISSUES, AS WELL AS DOMESTIC ISSUES. WE WENT TO LISTEN. WE WENT TO A SERIES OF DISCUSSIONS CALLED "JUSTICE AND SOCIETY." HARRY BLACKMAN, ASSOCIATE JUSTICE OF THE SUPREME COURT, WAS THE MODERATOR. IT WAS A PRIVILEGE JUST TO BE IN THE SAME ROOM WITH HIM. THE SESSIONS WE ATTENDED WERE"INTERNATIONAL JUSTICE," CONCENTRATING ON OUR IMMIGRATION POLICY; "JUSTICE AND POVERTY;" "JUSTICE AND RACE;" AND "JUSTICE AND GENDER." AS AUDITORS, WE HEARD THAT THERE IS DEEP CONCERN ABOUT HOW SOCIAL SERVICES ACROSS THIS COUNTRY ARE DELIVERED. AS A MATTER OF FACT, IRVING HARRIS WAS THERE. IRV IS A MAN I HAVE KNOWN EVER SINCE HE DEVELOPED "WHICH TWIN HAS THE TONI." THE REASON I KNEW HIM WAS BECAUSE PRIOR TO HIS INVENTION THE ONLY WAY TO GET A PERMANENT WAVE WAS TO GO TO A BEAUTY SHOP AND GET IT DONE. IRV CAME UP WITH THE IDEA OF PUTTING A POWDER IN AN ENVELOPE, THE POWDER COULD BE ACTIVATED, WOULD BECOME HOT, AND A WOMAN COULD CURL HER HAIR AT HOME. TENSION MADE THE ENVELOPES. IRV SOLD OUT TO GILLETTE, AND HE TOOK HIS RATHER CONSIDERABLE FORTUNE AND STARTED A FOUNDATION WHICH CONCENTRATED ON CHILD AND YOUTH DEVELOPMENT. IRV IS ONE OF THE AUTHORITIES IN THE COUNTRY; AND SHORTLY AFTER I FIRST TALKED TO GARY STANGLER ABOUT LINC, I THEN TALKED TO IRV HARRIS, WHO WAS ALSO VERY SUPPORTIVE.

ALTHOUGH NOT A PARTICIPANT AT THE INSTITUTE, IRV WAS INVITED IN TO TALK, AS HE WAS IN ASPEN AND HAD JUST GIVEN $1 MILLION TO AN AUDITORIUM FOR MUSIC. IRV TALKED FOR ABOUT 20-25 MINUTES, AND THEN ANSWERED QUESTIONS. HE WAS COMPLETELY DISCOURAGED ABOUT THE DELIVERY OF SOCIAL SERVICES AND THE COST, AS WERE THE PARTICIPANTS.

I CHOOSE NOT TO BE DISCOURAGED, EVEN THOUGH EVERY DEPARTMENT OF SOCIAL SERVICES ACROSS THE COUNTRY IS IN DISARRAY, SIMPLY BECAUSE THESE LARGE ORGANIZATIONS ARE BEING RUN BY INDIVIDUALS WHO HAVE NORMALLY COME UP THROUGH THE RANKS AND HAVE MANY DESIRABLE, IMPORTANT SKILLS, BUT IN MOST CASES THEY HAVE NEVER BEEN GIVEN THE OPPORTUNITY TO LEARN BASIC MANAGEMENT TECHNIQUES AND HOW TO OPERATE A LARGE ORGANIZATION. MORE IMPORTANTLY, MANAGEMENT HAS OPERATED WITHOUT THE BENEFIT OF EMPOWERMENT, THEY HAVE BEEN INCUMBERED BY BUREAUCRATIC SYSTEMS THAT ARE OPPRESSIVE. THEY HAVE NOT BEEN ENCOURAGED TO TAKE RISKS.

JOAN AND I THEN WENT OUT ON A FOUR-DAY LLAMA TREK. THE WONDERFUL THING ABOUT A LLAMA IS THAT YOU PUT YOUR GEAR ON THE LLAMA, TAKE THE TETHER IN YOUR HAND AND WALK. IT IS OUR OPPORTUNITY TO GET BACK TO THE EARTH.

I LITERALLY SAT ON A MOUNTAIN TOP AND THOUGHT ABOUT LINC AND WHETHER OR NOT IN THE LONG RUN IT COULD BE SUCCESSFUL. MY CONCLUSION WAS THAT WITH ALL THE EFFORT WE ARE PUTTING INTO LINC IT WILL NOT BE COMPLETELY SUCCESSFUL UNLESS WE CHANGE THE FORM OF GOVERNANCE. BY THAT I MEAN THAT IF THE PEOPLE EMPLOYED BY D.S.S. WHO ARE IN KANSAS CITY CONTINUE TO REPORT TO JEFFERSON CITY, THEY WILL HAVE TO WORK IN A HIGHLY CENTRALIZED SYSTEM, AS THEY HAVE FOR SO MANY YEARS. THEY WILL BE REQUIRED TO CONTINUE TO DO EXACTLY WHAT THEY ARE DOING; AND THINGS MAY IMPROVE A LITTLE, BUT WE WILL NOT HAVE A CHANGE IN THE SYSTEM. WE MUST HAVE A CHANGE IN THE SYSTEM. WE MUST CREATE A WAY TO CHANGE PEOPLE'S LIVES FOR THE BETTER. JEFFERSON CITY WANTS TO DO THAT, D.S.S. STAFF WANTS TO DO THAT, THE COMMUNITY WANTS US TO DO THAT, MOST OF ALL, THE PARTICIPANTS WANT US TO DO THAT.

ON MONDAY, SEPTEMBER 13, I DROVE TO CONCORDIA, MISSOURI, WHICH IS ABOUT HALFWAY BETWEEN COLUMBIA AND KANSAS CITY. I MET GARY STANGLER THERE, AND WE SAT AT HARDEES; AND I LAID OUT FOR HIM MY CONCERNS, TOLD HIM THAT, NOT JUST FOR MYSELF, BUT FOR THE ENTIRE COMMISSION, FOR ALL COMMITTEE CO-CHAIRS, THE COMMITTEE MEMBERS AND THE PROFESSIONAL CABINETS, THERE WAS A REAL INTEREST IN HAVING LINC BE SUCCESSFUL. TO BE SUCCESSFUL WE HAD TO CHANGE THE GOVERNANCE. THE PEOPLE IN KANSAS CITY WHO WORK FOR THE DEPARTMENT OF SOCIAL SERVICES MUST REPORT TO LINC. I REPEAT, THE PEOPLE IN KANSAS CITY WHO WORK FOR D.S.S. MUST REPORT TO LINC.

I AM GOING TO GIVE A LITTLE MORE EXPLANATION, BUT PLEASE UNDERSTAND THAT VERY SHORTLY I AM GOING TO OPEN THIS UP FOR DISCUSSION AND SUBSEQUENTLY I AM GOING TO ASK FOR A VOTE ON WHETHER YOU ARE WILLING TO UNDERTAKE THE RESPONSIBILITY OF HAVING THE VARIOUS DIVISIONS IN KANSAS CITY REPORT TO THE COMMITTEES AND TO THIS COMMISSION.

WHEN I MET WITH GARY, MUCH TO HIS CREDIT, HE AGREED THAT IT WAS ESSENTIAL THAT A CHANGE TAKE PLACE, AND HE IS READY TO SEE THAT CHANGE TAKE PLACE NOW. I HAVE SAID TO YOU IN THE PAST THAT WHEN GARY AGREED TO THE IDEA OF LINC, HE SHOWED HIS CALIBER, AS HE GAVE UP CONTROL OF WHAT IS NOW $273 MILLION. HE WAS JUST AS FORTHCOMING ON THIS, AS HE AGREED THAT CHANGE COULD NOT TAKE

PLACE IF DIVISIONS CONTINUE WITH THE SAME GOVERNANCE, AND HE IMMEDIATELY GAVE HIS CONSENT. THE REASON HE GAVE HIS CONSENT IS BECAUSE HE, TOO, WANTS LINC TO BE SUCCESSFUL.

GARY TOLD ME AT THAT MEETING AT HARDEES IN CONCORDIA, MISSOURI, THAT ALTHOUGH I WASN'T AWARE OF IT, KANSAS CITY IS BECOMING, AND IN MANY SITUATIONS HAS BECOME, THE SOCIAL SERVICES CAPITOL OF THE UNITED STATES. THE REASON IS LINC, THE PARTNERSHIP FOR CHILDREN, YOUTH NET, ETCETERA. WHAT LINC IS DOING IS GETTING NATIONAL ATTENTION. LAST WEEK IN WASHINGTON, D.C. LINC WAS FEATURED AT A NATIONAL DIALOGUE ON COLLABORATION. THE ENTIRE STAFF WAS THERE TO MAKE PRESENTATIONS, AND YOU WILL BE PLEASED TO KNOW THEY WERE A HIT.

DID YOU KNOW THAT THERE ARE 268 PEOPLE INVOLVED WITH LINC? THE PEOPLE ARE THIS COMMISSION, THE PROFESSIONAL CABINETS, THE COMMITTEE CO-CHAIRS, AND THE COMMITTEE MEMBERS. THAT MAKES LINC THE LARGEST WORKING ORGANIZATION IN KANSAS CITY, NOT THE LARGEST MEMBERSHIP GROUP, BUT THE LARGEST <u>WORKING</u> GROUP. WE HAVE MUCH TO BE PROUD OF.

ALTHOUGH HAVING THE DIVISIONS IN KANSAS CITY REPORT TO LINC WILL BE A FIRST IN THE UNITED STATES, AND THAT IS EXCITING, PLEASE RECOGNIZE THAT THE ROAD AHEAD WON'T BE EASY. WE MUST MAKE IT WORK IN KANSAS CITY. WE MUST WORK OUT A METHOD OF TRANSITION, WE MUST WORK OUT A METHOD OF REPORTING, AND WE MUST, MOST IMPORTANTLY, WORK OUT A METHOD OF COOPERATION WITH THE D.S.S. PEOPLE THAT WILL ALLOW THEM TO CHANGE THE SYSTEM, WORK MORE EFFECTIVELY, AND SPREAD THEIR WINGS.

WITH THAT IN MIND, POSSIBLY WE HAVE COME TO A POINT WHERE THE COMMITTEE STRUCTURE SHOULD BE THOUGHT THROUGH SO OUR STRUCTURE IS DRIVEN BY ISSUES, NEEDS AND OUTCOMES. WE MUST CREATE ENTITIES THAT CROSS PRESENT COMMITTEE LINES, ALLOWING FULL CROSS-FERTILIZATION SO, FOR EXAMPLE, A CHILDREN AND FAMILIES COMMITTEE AND THE AGING COMMITTEE ARE WORKING EVEN MORE CLOSELY TOGETHER. A SOCIAL WORKER VISITS A FAMILY CONSISTING OF A WELFARE MOM, CHILDREN, AND A GRANDMOTHER, AND DON'T MEDICAID AND HEALTH CARE AND SCHOOL CLINICS CROSS ALL LINES? FORTUNATELY, THERE IS CROSS FERTILIZATION NOW, AND WE MUST BUILD ON THAT.

WE NEED TO THINK THROUGH HOW WE SET UP TO BEST SERVE THE PARTICIPANT, TO ASSURE THAT IN CHANGING THE SYSTEM WE CONCENTRATE ON OUTCOMES AND CHANGE PEOPLE'S LIVES FOR THE

BETTER. AS YOU MAY KNOW, WELFARE REFORM, HOUSING AND SAFETY AND BUSINESS DEVELOPMENT ARE ALREADY WORKING TOGETHER TO CAREFULLY COORDINATE THEIR ACTIVITIES. WE NEED YOUR THINKING TO DEVELOP HOW WE WILL OPERATE WITH D.S.S. REPORTING DIRECTLY TO LINC.

THERE ARE LEGAL MATTERS TO CONSIDER. IF IT IS DECIDED THAT AN INDIVIDUAL IS NOT DOING A SATISFACTORY JOB, AND HE OR SHE IS RELEASED, AND THE PERSON SUES D.S.S. AND LINC, AND EACH OF US INDIVIDUALLY, ARE WE PROTECTED? IF WE APPROVE DOING THIS, GARY WILL HAVE THE SITUATION RESEARCHED, AND WE WILL SET UP THE LEGAL PROTECTION REQUIRED. AS AGENTS, WE ARE REASONABLY SURE THERE WILL NOT BE A PROBLEM, BUT THE SAFEGUARDS WILL BE PUT IN PLACE.

WHEN WE FIRST MET ON NOVEMBER 16 LAST YEAR I SAID WE WOULD NOT HAVE SEPARATE MEETINGS OF THE COMMISSION OR THE PROFESSIONAL CABINET. IN LIGHT OF THIS DEVELOPMENT, I WANT TO CHANGE THAT. I BELIEVE IT IS VERY IMPORTANT THAT THE PROFESSIONAL CABINET OF THIS COMMISSION HAVE AN OPPORTUNITY TO MEET ALONE TO WORK OUT WHAT THEY WOULD RECOMMEND TO THIS COMMISSION AND THEN PRESENT THEIR RECOMMENDATIONS TO US. I BELIEVE THE COMMISSION SHOULD HAVE THE SAME OPPORTUNITY TO BRAINSTORM HOW THINGS SHOULD BE HANDLED. I HOPE THAT EACH COMMITTEE MEETING WILL SPEND A PORTION OF THE TIME ON HOW THEY WILL WORK WITH OTHER COMMITTEES, POSSIBLY EVEN FORMING DIFFERENT KINDS OF COMMITTEES TO WORK WITH D.S.S. TO CHANGE THE SYSTEM. I HOPE THE PROSPECT EXCITES YOU.

FOR THOSE OF YOU HERE FROM D.S.S., WE NEED YOUR COOPERATION AND HELP AS NEVER BEFORE. THIS UNIQUE METHOD OF OPERATION CAN SUCCEED ONLY IF YOU WORK CLOSELY WITH US, IF YOU CONVINCE EVERY MEMBER OF YOUR ORGANIZATION THAT WE HAVE AN OPPORTUNITY TO SHOW KANSAS CITY AND THE NATION A BETTER WAY TO DELIVER SOCIAL SERVICES. MAKE IT CLEAR WE WANT THEIR INPUT AND THEIR COOPERATION.

TED GAEBLER, AUTHOR OF <u>REINVENTING GOVERNMENT</u>, SAID THAT THE BEST PEOPLE TO CHANGE GOVERNMENT ARE THOSE IN GOVERNMENT. WE MUST SUPPLY THE FRAMEWORK AND THE ENVIRONMENT SO THEY ARE ABLE TO DO THAT IN CLOSE COOPERATION WITH US AND OTHERS IN THE COMMUNITY.

THE DECISION WE FACE TODAY, IN MY JUDGMENT, IS WHETHER OR NOT WE ARE GOING TO MAKE A MOVE THAT WILL ALLOW LINC TO BE REALLY SUCCESSFUL.

I NOW OPEN THE FLOOR TO DISCUSSION.

LINC.924

LINC STAFF

Gayle Hobbs, Executive Director
Paula Cardello, Deputy Coordinator
Phyllis Becker, Committee Executive
Tim Decker, Committee Executive
Stephanie Frost, Committee Executive
Barbara Hubbell, Committee Executive
Joe Lewis, Community Resource Coordinator
Mary Wise, Assistant

Local INvestment Commission
3100 Broadway, Suite 226
Kansas City, MO 64111
(816) 889-3160
Fax: (816) 561-4864

DEPARTMENT OF SOCIAL SERVICES DIRECTOR'S OFFICE

Gary J. Stangler, Director
Marilynn Knipp, Associate Director

Missouri Department of Social Services
Broadway State Office Building
P.O. Box 1527
Jefferson City, MO 65102-1527
(314) 751-4815
Fax: (314) 751-3203

PROTOTYPE SECTION

Robin Gierer, Statewide Prototype Coordinator
Chris Rackers, Statewide Prototype Coordinator

Missouri Department of Social Services
Broadway State Office Building, 3rd Floor
P.O. Box 1082
Jefferson City, MO 65102
(314) 526-3581
Fax: (314) 526-4814

LOCAL INVESTMENT COMMISSION

Bert Berkley
Tension Envelope Corporation
819 East 19th Street
Kansas City, MO 64108
816-471-3800
816-283-1498 FAX

John (Jack) C. Craft
Craft Friedkin Shaffer & Rhyne
4435 Main Street
Kansas City, MO 64111
816-531-1700
816-753-3222 FAX

William (Bill) H. Dunn
J.E. Dunn Construction
929 Holmes
Kansas City, MO 64106
816-391-2517
816-391-2510 FAX

SuEllen Fried
4003 Homestead Drive
Shawnee Mission, KS 66208
362-2226

Donald Gardner
Group One Architects
4049 Pennsylvania
Kansas City, MO 64111
816-531-1486

Anita Gorman
917 NE Vivien Road
Kansas City, MO 64118
816-452-4141
816-561-4498 FAX

Adele Hall
5801 Oakwood Road
Shawnee Mission, KS 66208
913-362-4805
913-362-4807 FAX

Judy Hunt
6526 Rainbow
Shawnee Mission, KS 66208
913-362-6564
913-362-0402 FAX

Herman Johnson
Herman Johnson Company
912 Baltimore
Kansas City, MO 64105
816-221-1771
816-221-1772 FAX

Rosemary Smith Lowe
Santa Fe Neighborhood Assn.
3232 E. 29th Street
Kansas City, MO 64128
816-921-0277

Mark McAfee
Rite-Way Magic Supply
P.O. Box 304
Grandview, MO 64030
816-763-7723

Estella Morales
City of Kansas City, MO
Planning & Development
414 E. 12th St., 15th Floor
Kansas City, MO 64106
816-274-1841
816-274-1840 FAX

John Palmer
EDP Enterprises
11827 W. 112th St., #101
Overland Park, KS 66210
913-469-5603

Bob Rogers
E.M. Kauffman Foundation
4900 Oak
Kansas City, MO 64112-2776
816-932-1010
816-932-1100 FAX

Paul Rojas
2000 Jefferson
Kansas City, MO 64108
816-221-8931

Landon Rowland
KC Southern Industries
114 West 11th Street
Kansas City, MO 64105
816-556-0393
816-556-0192 FAX

Thom Savage
Rockhurst College
1100 Rockhurst Road
Kansas City, MO 64110
816-926-4000
816-926-4588 FAX

David Stanley
Payless Cashways
P.O. Box 419466
Two Pershing Square
Kansas City, MO 64141-0466
816-471-5500
816-234-6077 FAX

Melrene Todd
404 Tracy
Kansas City, MO 64106
816-221-7622

Rachel Whipple
Kansas City Police Dept.
Personnel
1125 Locust
Kansas City, MO 64106
816-234-5412

Barry Wilkinson
Heavy Construction Workers
Local Union #663
7820 Prospect
Kansas City, MO 64132
816-444-0062
816-822-9906 FAX

PROFESSIONAL CABINET
LOCAL INVESTMENT COMMISSION

Alvin Brooks
Ad Hoc Group Against Crime
P.O. Box 15351
Kansas City, MO 64106
531-0000 **fax: 753-6565**

Keith Brown
Project NeighborHOOD
2104 E. 18th St.
Kansas City, MO 64127
842-8515 **fax: 842-5226**

Dianne Cleaver
Swope Parkway Health Center
4900 Swope Parkway
Kansas City, MO 64130
923-5800 Ext. 294
fax: 923-9210

Dwayne Crompton
KCMC Day Care
1900 Vine
Kansas City, MO 64108
474-3751 Ext. 606
fax: 474-1818

Jane Heide
United Way
1080 Washington
Kansas City, MO 64105
472-4289 **fax: 472-4207**

Dwain Hovis
DSS/DFS
615 East 13th St.
Kansas City, MO 64106
889-2480 **fax: 889-2008**

David Kierst
Jackson County Juvenile Justice Center
625 East 26th St.
Kansas City, MO 64108
435-4850 **fax: 435-4793**

Jim Koeneman
E.M. Kauffman Foundation
4900 Oak
Kansas City, MO 64112
932-1066 **fax: 932-1100**

Jan Kreamer
KC Community Foundation
1055 Broadway, Ste. 130
Kansas City, MO 64105
842-0944 **fax: 842-8079**

Clyde McQueen
Full Employment Council
1740 Paseo, Ste. D
Kansas City, MO 64108
471-1430 **fax: 471-0132**

Cris Medina
Guadalupe Center
1015 W. 23rd St.
Kansas City, MO 64108
472-4770 **fax: 472-4773**

Kathie Moore
Division of Aging
615 East 13th St.
Kansas City, MO 64106
889-3100 **fax: 889-2004**

Gail Mumford
DSS/DCYS
934 Wyandotte, Ste. 200
Kansas City, MO 64105
889-2428 **fax: 889-3850**

Diane Patrick
DSS/FUTURES
615 East 13th St.
Kansas City, MO 64106
889-2447 **fax: 889-2008**

Bobbie Steller
Division of Aging
615 East 13th St.
Kansas City, MO 64106
889-2818 **fax: 889-2161**

Peggy Torno
DSS/DFS
615 East 13th St.
Kansas City, MO 64106
889-2500 **fax: 889-2008**

Local INvestment Commission (LINC)

OUR SHARED VISION

A caring community that builds on its strengths to provide meaningful opportunities for children, families and individuals to achieve self-sufficiency, attain their highest potentials, and contribute to the public good.

OUR MISSION

To provide leadership and influence to engage the Kansas City Community in creating the best system to support and strengthen children, families and individuals, holding that system accountable, and changing public attitudes towards the system.

OUR GUIDING PRINCIPLES

1. COMPREHENSIVENESS: Provide ready access to a full array of effective services.
2. PREVENTION: Emphasize "front-end" services that enhance development and prevent problems, rather than "back-end" crisis intervention.
3. OUTCOMES: Measure system performance by improved outcomes for children and families, not simply by the number and kind of services delivered.
4. INTENSITY: Offering services to the needed degree and in the appropriate time.
5. PARTICIPANT INVOLVEMENT: Use the needs, concerns, and opinions of individuals who use the service delivery system to drive improvements in the operation of the system.
6. NEIGHBORHOODS: Decentralize services to the places where people live, wherever appropriate, and utilize services to strengthen neighborhood capacity.
7. FLEXIBILITY AND RESPONSIVENESS: Create a delivery system, including programs and reimbursement mechanisms, that are sufficiently flexible and adaptable to respond to the full spectrum of child, family and individual needs.
8. COLLABORATION: connect public, private and community resources to create an integrated service delivery system.
9. STRONG FAMILIES: Work to strengthen families, especially the capacity of parents to support and nurture the development of their children.
10. RESPECT AND DIGNITY: Treat families, and the staff who work with them, in a respectful and dignified manner.
11. INTERDEPENDENCE/MUTUAL RESPONSIBILITY: Balance the need for individuals to be accountable and responsible with the obligation of community to enhance the welfare of all citizens.
12. CULTURAL COMPETENCY: Demonstrate the belief that diversity in the historical, cultural, religious and spiritual values of different groups is a source of great strength.

13. CREATIVITY: Encourage and allow participants and staff to think and act innovatively, to take risks, and to learn from their experiences and mistakes.

14. COMPASSION: Display an unconditional regard and a caring, non-judgmental attitude toward, participants that recognizes their strengths and empowers them to meet their own needs.

15. HONESTY: Encourage and allow honesty among all people in the system.

AUTHORITY

LINC will serve as an agent of the state and will therefore incur no legal liabilities. The Director of the Department of Social Services will enforce LINC's recommendations.

BUILDING ON EXISTING FOUNDATIONS

It is essential that LINC identify and learn from public and private agencies of the community with local collaborative experience. Emphasis will be on innovative programs and supporting those programs "that work".

GEOGRAPHIC DATA

LINC will initially focus its attention and conduct needs-assessments on the population in the Kansas City limits, south of the Missouri River. Although this area will define the target population, the intention is to improve the entire system of service rather than on segmenting participants and services. The Commission will use existing data bases and will build upon them to establish a context for analysis and projection of trends.

ACCEPTANCE STRATEGY

It is necessary to achieve acceptance from a wide variety of state and community leaders. Their support and endorsements will be critical to LINC's achievement of systems reform. To meet this level of acceptance, committee members' commitment to the commission is vital.

OPERATING PRINCIPLES AND PLANS

The director of the Department of Social Services will appoint the LINC chair and vice-chairs. Once established, the commission will appoint committee chairs, vice-chairs and then select members for the professional committees listed below.

Commission membership will be broad and inclusive and comprised solely of lay volunteers. Individuals receiving services will be represented, as well as business leaders, community and neighborhood activists, involved citizens and area professionals.

Professional Cabinet

A professional cabinet of advisors will help guide the commission, providing them with technical assistance. The cabinet consists of recognized professionals from various disciplines. A professional cabinet will also be assigned to each of the commission committees and will provide the technical assistance in that committee's respective area.

Committees

Committee members will provide technical expertise to the Commission. They will be selected for their talent, knowledge and expertise in their specific profession. LINC's seven committees are:

Aging
Business/Economic Development
Children and Families
Health Care (Medicaid access)
Housing/Safety
School-Linked Services
Welfare Reform

Objectives, priorities and guiding principles as set by Commission members will give each committee an overall direction and a common theme.

The committees will work with and address both commission members and program participants alike, thus incorporating all levels into the system reform process.

COMMUNICATION PROCESS

A strategy for effective, ongoing communication with Department of Social Services (DSS) staff, the community, the provider population, the commission committees, and the media will be developed. Guiding principles have been set by LINC members with the committees setting their own individual goals for their specific areas. A two-way process will be developed to share information. The committees must also devise ways to gather information through a variety of means--i.e. hearings, interviews, focus groups, etc.

EDUCATIONAL PROCESS

Educating the commission, program staff, the community, office holders, the media and other stakeholders will take place on a variety of levels. Some will require in-depth knowledge and training, while others may only need to be kept apprised of LINC's progress.

The educational process will not only serve to educate but motivate as well. Focus will be on the need to change the way we do business and how the community can play a larger role in shaping the future of Missouri families.

Internal

All members of LINC and its committees will receive issue specific training and briefings through activities such as site visits, focus groups, hearings, workshops, interviews and seminars.

External

The commission must keep in mind the need to communicate new ideas with local stakeholders and advise them of the commission's progress. They will also report on successful programs and determine how to address programs that are outdated or not working.

FUNDING

One of LINC's goals will be to bring together public and private funding. Through the use of incentives and redirecting of funds, LINC will have impact on discretionary and entitlement programming, thus allowing greater flexibility and financial priority setting to be made at the community level.

The feasibility of expanding the use of available federal funding will also be explored by LINC. Private monies may be utilized to enhance programs and to match federal dollars.

SHORT-TERM FOCUS

The importance of building on short-term successes will help LINC move toward its goal of systems reform. Targets for short-term successes include:

Obtaining needed equipment;
Planning improvements for the Foster Care Services of DFS;
Planning system of school-linked services in the Kansas City School District;
Planning and implementing the 21st Century Communities welfare reform initiative;
Out-posting state personnel to sites beyond state offices;
Creating more flexible working hours;
Reviewing eligibility requirements; and
Reducing staff turnover and improving morale.

LONG-TERM FOCUS

LINC's focus for the long term will be:

Develop broad-based outreach;
Create outcome-focused contracting;
Assess and expand managed or coordinated health care services;
Invest in a training commitment for staff and providers;
Commit to consistent and ongoing communications, emphasizing successes along the way and building in community ownership; and
Development of integrated, user friendly, service delivery system.

PROPOSAL TO ESTABLISH "DSS-LINC"

DSS-LINC = Department of Social Services - Local INvestment Commission = Local Control.

The LINC concept emphasizes local decision-making that affects investments or spending in the area of human services. The local commission exercises its own authority but remains linked to the Missouri Department of Social Services.

LINC MISSION

To provide leadership and influence to engage the Kansas City Community in creating the best system to support and strengthen children, families and individuals, holding that system accountable, and changing public attitudes towards the system.

GENERAL STRATEGIES

Concentrate on outcomes, measure results.

Concentrate on change that improves the daily and long-term delivery of services, responding to local strengths/needs, with emphasis on collaborative efforts and simplification of bureaucratic mechanisms and regulations.

Develop mutual contractual obligations between service providers, both private and public, to better service the needs of the family, child and community.

Work with private and public sectors to obtain additional funding.

VALUES IMPORTANT TO THE COMMISSION

Strengths of many existing efforts.

Diversity, innovation, risk-taking.

Collaboration at all levels with the community and with DSS.

WHAT LINC IS NOT

Another administrative layer for DSS.

Only an overseer, evaluator.

A duplication of efforts of other Kansas City entities.

LINC STRUCTURE

The director of the Department of Social Services shall appoint the commission composed of up to 23 area residents, depending upon the population in the designated geographic area.

> Members shall be persons with proven interest and achievements in civic affairs.

The membership shall include persons who have used services offered by the department.

There shall be no appointments based on political party; however, a leading citizen who is an elected official may be appointed to the commission.

Members shall serve no more than three renewable three-year terms.

The commission shall establish at least seven committees which shall report to the commission to deal with human service delivery issues.

The commission shall establish committees to deal with welfare reform, health care, children and family services, aging, school-linked services, housing and safety, and business development.

The commission may establish committees to deal with other human service issues addressed by the department.

Committee members shall include experts in the various issue areas and persons who have used services offered by the department.

A professional cabinet composed of local, state and federal government program administrators and professionals from not-for-profit agencies involved in social services shall assist the commission and committees.

Each committee may appoint an advisory group of beneficiaries of its services.

LINC AUTHORITY

The commission shall be the agent of the director of the Department of Social Services.

Consistent with federal and state requirements, the director shall retain ultimate authority to regulate departmental funds available to the commission. Distribution of available funds in the area will be the responsibility of the commission.

Members of the commission shall not be held liable for actions taken in good faith as agents of the department.

LINC DUTIES

The commission shall work with service agencies to regularly evaluate effectiveness and, when needed, to implement changes in local programs funded by the Department of Social Services.

Changes in programs shall be designed to bring about improved outcomes for the people who use the programs.

Each program will be evaluated to determine, to measure, and to report client outcomes.

The commission shall have authority to distribute available funds to local programs based on evaluations and upon locally determined needs.

> The department director shall make funds available, during the commission's first year of existence, in the amount normally allocated for services and program administration in the designated area.
>
> Funds in succeeding years shall vary, depending on the amount available from government and private sources.
>
> When distributing funds, the commission will emphasize flexibility and creativity to achieve desired outcomes.
>
> Funds shall be accounted for, and expenditures shall be a matter of public record.
>
> As an incentive to service providers, it shall be the objective of the commission and department director to help secure extra funds to reward outstanding programs.

The commission shall encourage the establishment of formalized agreements for cooperation with various entities in the community.

> Agreements shall be executed with governmental agencies, with not-for-profit organizations and with other entities in the local service network (e.g. health, law enforcement, and other community agencies).
>
> Agreements shall be in the nature of a contract describing each party's responsibility.
>
> Agreements shall be reviewed periodically for renewal.

The commission shall use a performance evaluation system that links compensation to performance for staff employed by the Department of Social Services in a designated area.

The commission shall recommend policies for the promotion and retention of employees based on performance.

LINC STAFF

An executive director, employed by the Department of Social Services, shall be assigned to the commission,

> The executive director shall designate other employees of the Deparment of Social Services to serve as his/her deputies and fulfill other functions as needed.
>
> To the extent possible, existing department staff shall be reassigned from current assignments to the commission.

The executive director shall keep the commission and the department director fully informed and supply specific reports when appropriate.

A committee executive shall be assigned to each commission committee.

Each committee executive shall supervise teams responsible for visiting, evaluation, and offering assistance to social service programs.

Each committee executive shall report the findings of his/her staff to the executive director, who shall share them with the commission.

LINC SCHEDULE

LINC commission meetings are held the last Friday of each month. A list of the LINC commission committee meetings is distributed each month at the Commission meeting.

• LINC Connection •
Flow Chart of Systems Reform Effort

Reform Process

Empowering vs. Imposing

Facilitative vs. Telling

Two-Way vs.
One-Way Communication

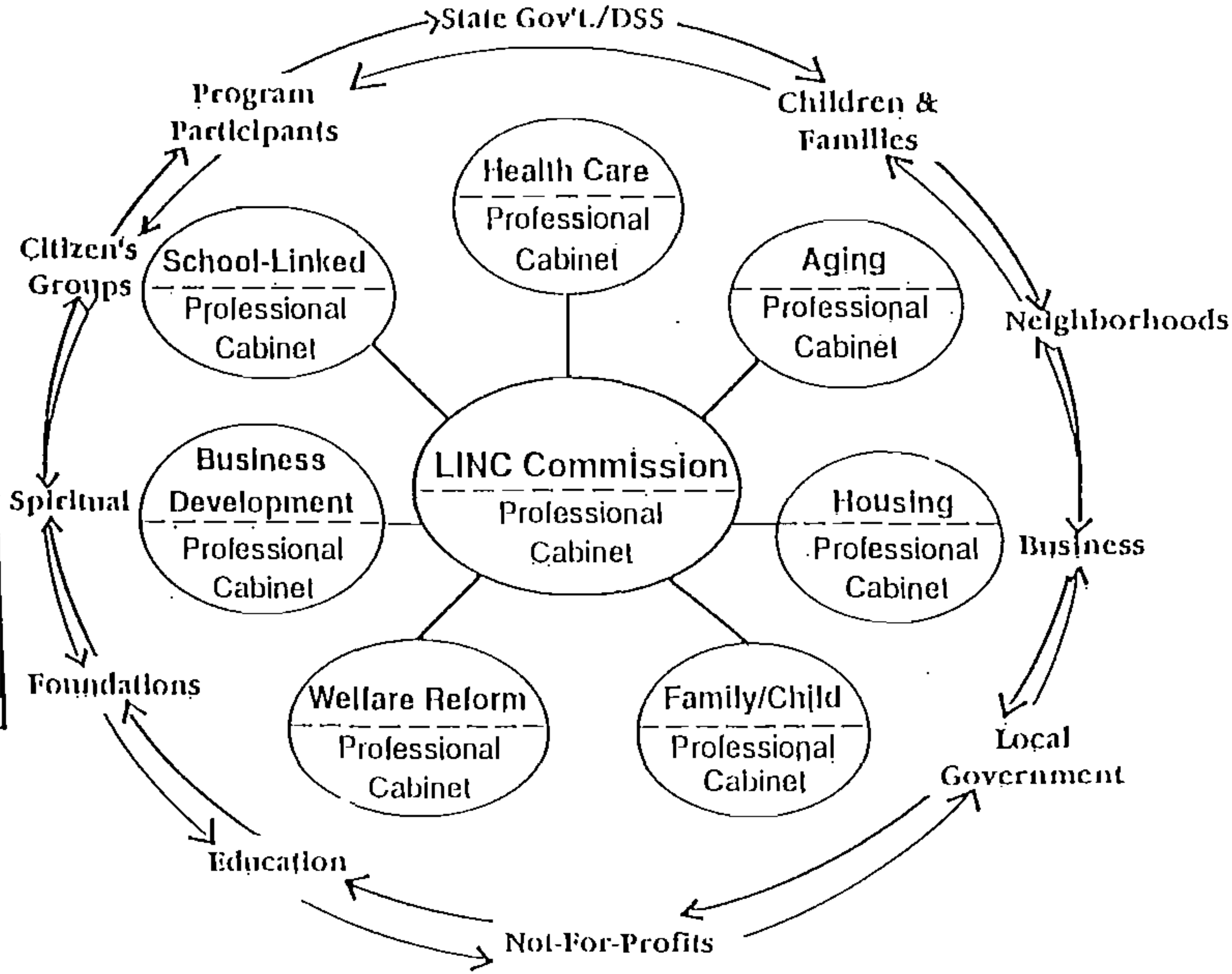
Strength/Need vs.
Deficit/Problems Focus

Process Focus vs. Content Focus

Large Scale Systems Change vs.
Monitoring and Oversight

Inclusive vs. Exclusive

Flexible/Evolutionary vs.
Inflexible "Written in Stone"



Local Investment Commission
Summary

Context

The Local Investment Commission is a collaborative group of business and civic leaders, social service professionals, service participants, and private citizens who have been charged by the Missouri Department of Social Services to oversee the reform of the social service delivery system in Kansas City. The Commission, which is composed of a diverse and inclusive group of 23 lay persons, was appointed in November 1992. The Commission is supported by a 15 member professional cabinet, which provides technical expertise in all aspects of the service delivery system. The Commission has developed a shared vision, mission, and 15 guiding principles to serve as a foundation for the design and reform of the social service delivery system. The Commission has established 7 working committees to develop recommendations for system reform in the areas of Children and Families, Aging, Health Care, Housing and Safety, Business and Economic Development, School-Linked Social Services, and Welfare Reform.

LINC Vision/Mission

LINC envisions a community that builds on its strengths to provide meaningful opportunities for children, families, and individuals to achieve self-sufficiency, attain their highest potential, and contribute to the public good.

LINC's mission is to provide leadership and influence to engage the Kansas City Community in creating the best system to support and strengthen children, families and individuals, holding that system accountable, and changing public attitudes towards the system.

LINC intends to create an integrated social service delivery system that is locally governed. The system LINC envisions will contain the following:

* A wide array of accessible prevention, treatment, and support services which are delivered under a decentralized administrative structure, with a common case management and eligibility system,

* Methods to ensure that appropriate services are received and adjusted to meet the changing needs of children and families,

* A focus on the whole family as participants, resources, and allies of the system,

* Efforts to empower families within an atmosphere of mutual respect,

* An emphasis on needs of the participants, community values, and achieving measurable improvements in outcomes for children and families, and

* Flexible funding mechanisms that enable resources to be applied to meet the needs of participants.

LINC Authority/Method

The LINC Commission has been designated by Gary Stangler, Missouri Department of Social Services Director, as an agent of the state. LINC's recommendations are thus enforced by the director.
LINC also acts to influence, empower, and advocate for system reform which enables fundamental changes

in the social service delivery system to occur.

LINC primarily utilizes a collaborative strategy in which community partners are brought together to establish common goals, jointly plan and implement services, evaluate new services and procedures, pool resources to support innovation and address joint problems, and delegate individual responsibility for the outcomes of their joint efforts.

The Commission has the responsibility of establishing broad parameters to guide the efforts of categorical committees which are charged with developing specific recommendations for service delivery reform. The Commission is responsible for pulling together the pieces of the delivery system, which are developed in the committees, into an integrated system which is consistent with the vision, mission, and guiding principles of LINC.

Scope of Existing Committee's Efforts

1) Children and Families - developing a professional, integrated, and effectively delivered child welfare system through effective local leadership, addressing resource issues, and establishing an effective structure for the delivery system.

2) Health Care - completing an assessment of the current health care delivery system in order to identify unserved populations, barriers to service delivery, and to design a effective system of delivery of needed health care services and preventive interventions with the poor and near poor populations.

3) Welfare Reform - developing a model for self-sufficiency which can be expanded in the system, working to take the proven successes of FUTURES and FUTURES CONNECTION "to scale", and maximizing opportunities presented by the 21st Century Communities initiative.

4) School-Linked - completing a needs assessment to form as a basis for the design of an array of social and medical services which can be delivered to children and families in an efficient and accessible manner through the existing school system.

5) Housing and Safety - developing strategies for increasing the supply of livable, affordable, and safe housing; improving the safety and security of neighborhoods; and supporting the development of the housing component of the 21st Century Communities initiative.

6) Business and Economic Development - identifying businesses willing to create jobs and develop career opportunities within 21st Century Neighborhoods.

7) Aging - developing a system to support quality care in nursing homes; maintain families independently in their home and avoid the high cost and institutional lifestyle of nursing facilities; and strengthen families and neighborhoods to support a safe and productive environment for the elderly.

21st Century Communities

This initiative is a ten-year, comprehensive approach to the development to low-income communities. The implementation plan for this initiative is being developed by a planning group composed of representatives of the Welfare Reform, Housing and Safety, and Business and Economic Development Committee.

21st CENTURY COMMUNITIES

Summary

An Overview

The 21st Century Communities initiative is a ten-year, comprehensive approach to the development of 20 low-income communities with a combined population of 1 to 2 million economically disadvantaged Americans. Five pilot communities will be launched in October, 1992 and the remaining 15 communities will be selected through a competitive process by a group designated by the Secretary of HHS. 21st Century Communities will be pursued through a series of partnership strategies among government, the private sector and local community organizations. These strategies will incorporate successful approaches, such as Head Start and child support enforcement, and bring them together with new initiatives in areas such as job creation, wage supplementation, comprehensive "learning readiness", and family and neighborhood support.

The 21st Century Communities initiative is designed to be in two phases. Phase I, most of the major components of the initiative will be put in place quickly, without new legislation. Legislative action will be pursued during Phase II to complete the overall implementation of the initiative.

Phase I Activities

Phase I of the initiative, which will begin immediately, focuses on nine major areas of community development and job creation.

Job Creation

The transformation of urban communities into economically and socially self-sustaining environments is dependent on enhanced employment opportunities.

Support Community-Based Enterprises

Several important actions will be taken to promote the development of community-based enterprises, including Mini Manufacturing Plants, other Community Business Enterprises, Community Banks, Small Business Development Center and entrepreneurial training programs.

Wage Supplementation

Many 21st Century Community residents will be eligible for voluntary participation in wage-supplemented employment. "Eligible community residents" will include:

- "Government assisted community residents" who, at the time of initial employment, are receiving benefits or services under the AFDC or the Food Stamp Program.

- "Eligible spouses" of a government assisted community resident.

- "Eligible parents" who are required to make payments under a child support order to a child in the household of a government assisted community resident.

Non-Wage Benefits

- 21st Century Community residents eligible for Medicaid and/or child care services at the time of eligible employment will continue to be eligible for such benefits throughout the period of wage supplemented employment.

- Child support services previously provided to eligible community residents who had previously made an assignment of support rights to a state as a condition of eligibility for receipt of benefits under the AFDC program will be continued during the period of wage supplemented employment at no cost to the community resident.

- Residents residing within Federally assisted public housing projects, rent ceilings will be established for public housing units. During the demonstration period, public housing residents within the community may not be required to pay rent for a public housing unit in excess of the rent ceiling.

Job Entry Training

Job entry education and training will focus on preparation for jobs potentially available within the relevant labor area to community residents within or in proximity to the 21st Century Community.

Job Progression

Job progression education and training program will be designed and implemented to prepare community residents for non-wage supplemented jobs within the relevant labor area.

Learning Readiness and Education

This strategy will focus on identified, preventable causes of diminished learning capacity due to factors such as low birthweight, prenatal exposure to drugs, alcohol, and cigarette smoke, poor preventive health screening and immunization, inadequate nutrition, lead poisoning, child abuse and neglect, and family dysfunction.

- Comprehensive case management will be provided both to ensure the provision of all needed health and social services to each child and to identify and provide services to families at-risk of serious dysfunction such as child abuse and neglect.

Comprehensive, Integrated Family and Neighborhood Supports

An overview of several key elements of the comprehensive family and neighborhood support structures will include:

- A Community Health/Mental Health Center or satellite which is responsible for EPSDT outreach and screening, ongoing linkages with health care services.

- A Head Start/Child Care Center which provides child development services and operates a wrap-around child care program for children of working parents.

- Developmental child care for infants, toddlers, and school-age children chosen by parents.

- Family support services including EPSDT case coordination and other linkages.

- AMERICA 2000 elementary and secondary schools which play an active role in identifying comprehensive child and family needs.

Expanded Housing and Home Ownership Opportunities

To encourage home ownership, community residents will be given preference in the three-part Homeownership and Opportunity for People Everywhere (HOPE) program.

- provides financial home ownership conversion funds to low-income residents of public or Indian housing;

- allows low-income residents to purchase HUD-owned and certain other multi-family units; and

- allows first-time home buyers, as well as single parents and displaced homemakers, to purchase certain single-family housing units.

<u>Phase II Activities</u>

The passage of legislation will be needed to complete Phase II. Legislation will permit Unemployment Insurance beneficiaries to participate in wage supplemented employment and improvements in the following four related community development areas:

Expanded Support for Community-Based Businesses

- Access to capital and credit for community-based businesses will be expanded through the creation of a special direct loan program.

- State and local governments will be allowed to use revenues from tax exempt bonds to make loans to community businesses for the acquisition of tangible or intangible property.

Expanded Job Training and Employment Preparation

Passage of legislation already proposed by the Bush Administration will permit the establishment of Job Training 2000 Skill Centers. Skill Centers will coordinate and oversee the transition of community youth from school to full time employment and ensure continuity in work experience and planning from school to full-time employment. These centers will also provide intensive pre-employment and on-the-job training to community residents initially employed under a wage supplementation agreement.

Employer and Investor Tax Incentives

21st Century Communities will qualify as Enterprise Zones as defined by Bush Administration legislative proposals pending before Congress. As a result, Mini Manufacturing Plants and other Community Business Enterprises will be exempted from the payment of a tax on gains attributable to the sale or transfer of tangible or intangible property owned within the community.

New investor tax incentives will also be created to attract individual investors to community-based business activities.

Employee Tax Incentives for Non-Supplemented Employment

Wage supplemented employees who become employed in permanent, full-time, non-supplemented jobs will receive an amount equal to a set percent of the wage supplement. This amount will be paid by the government into a special purpose escrow account during the period of non-wage supplemented employment. At the end of 5 years, the escrow account converted into a tax-deferred individual account, similar to an Individual Retirement Account.

Management

The initiative will be managed by a Steering Group containing all of the federal partners under the leadership of the Department of Health and Human Services. The federal partners include HHS, Agriculture, Labor, Education, Housing and Urban Development.

Evaluation

The initiative will be evaluated by an independent third party who will assess impacts on community residents, business, and the community infrastructure and conduct a cost-benefit analysis from the perspectives of the participant, the community, the government, and the taxpayer. The evaluation will be longitudinal (i.e. to assess changes affecting both individual community residents and the community itself over time.

Federal and State Costs

Overall, implementation of the 21st Century Communities will result in both a net decrease in Federal and state budget outlays and a net increase in budget revenues throughout the ten year project period.

GOODWILL INDUSTRIES OF AMERICA, INC.

EXECUTIVE OFFICES • 9200 WISCONSIN AVENUE • BETHESDA, MARYLAND 20814-3896 • 301/530-6500

WR-Jobs

351:2233gek

September 23, 1993

To: Members of the Working Group on Welfare Reform, Family Support and Independence

Subject: Information on Successful Implementation of the JOBS Program Among Goodwill Industries Nationwide.

At the Working Group hearing held in Washington recently, Co-Chair Mary Jo Bane requested information regarding Goodwill's participation in the JOBS program. Goodwill Industries of America, Inc. recently completed a survey of our affiliates who participate, and enclosed is a summary of those results. Also enclosed are profiles of some of the most effective programs administered by Goodwill Industries in various states and regions of the country.

If I can provide you or members of your staff with additional information on Goodwill Industries' job training work with welfare recipients, please feel free to contact me.

Michael R. Graul
Director of Governmental Affairs

Enclosure: 1. Summary of JOBS Program Survey Results w/profiles

JOBS PROGRAMS SURVEY RESULTS

August 18, 1993

Goodwills' participation in JOBS programs has quadrupled since 1989. It has grown by 400 percent. The seventeen Goodwills participating in JOBS programs in 1992 were:

Akron	Grand Island	Milwaukee	Richmond
Buffalo	Huntington	New Orleans	Sioux City
Cleveland	Indianapolis	New York	Toledo
Colorado Springs	Menasha	Omaha	Winston-Salem
Eugene			

The total number of clients served has grown by 268 percent since 1989. Funding has grown even more dramatically. Total funding received has grown by 713 percent since 1989.

Year	Clients	Perc. Change	Funding	Perc. Change	Funding Per Client
1989	2,398	NA	$ 757,680	NA	$315.96
1990	5,859	144%	$5,021,678	563%	$857.09
1991	7,666	31%	$5,428,049	8%	$708.07
1992	8,815	15%	$6,159,854	13%	$698.79

The remaining data summarize JOBS program activity for 1992 only. Nearly two of every three referrals were effective. One of every four clients served was placed in competitive employment. Nine of every ten clients placed retained employment per state JOBS requirements. Fifteen percent of all clients served completed high school or obtained their GED.

Referrals	10,202
Effective Referrals	6,532
Placed in Competitive Employment	2,180
Retained Employment	1,972
Average Hourly Wage at Placement	$5.42
Average Hours Worked per Week	34.4
Completed High School or Obtained GED	1,311

The typical profile of a JOBS client is a white, non-Hispanic female between the ages of 25 and 34.

Race	Number	Percent
White	4,033	45.8
Black	2,980	33.8
American Indian, Eskimo, Aleut	16	0.2
Asian or Pacific Islander	41	0.5
Other	1,745	19.8

Gender	Number	Percent
Male	2,152	24.4
Female	6,663	75.6

Ethnic Group	Number	Percent
Hispanic	1,599	18.1

Age	Number	Percent
Under 17	21	.2
17 to 24	2,572	29.2
25 to 34	3,762	42.7
35 to 44	2,114	24.0
45 to 54	308	3.5
55+	38	.4

The majority of Goodwills provide these services: evaluation, training, job seeking skills, follow-up, counseling, placement, and case management to their JOBS clients. The most frequent service received by clients was casement management--two of every three clients received this service. Less common services provided were transportation and child care.

Service	Percent Providing	Clients Receiving
Counseling	66.7	2,112
Evaluation	86.7	4,103
Case Management	60.0	6,037
Training	80.0	2,563
Job Seeking Skills	80.0	2,706
Placement	66.7	2,123
Follow-up	80.0	3,196
Transportation	26.7	1,884
Child Care	33.3	2,401
Remedial Education	40.0	916

GOODWILL INDUSTRIES OF AMERICA, INC.
VOCATIONAL SERVICES TO WELFARE RECIPIENTS

Goodwill Industries of Colorado Springs
Colorado Springs, CO

Program Description:

Providing services to El Paso County residents, the JOBS/New Directions program provides case management, day care (as needed), transportation, personal and career counseling, education and skills assessment, job search, placement and follow-up to participants. These services are coordinated through a single case manager who provides encouragement and motivation and closely monitors each participant's progress toward the goal of self-sufficiency.

Services Provided (and numbers served):

Counseling	200	Job Seeking Skills	300
Evaluation	1,553	Placement	242
Case Management	1,553	Follow-up	330
Training	278	Transportation	1,480
Child Care	200	Remedial Education	200

Total Number Served: 1,696

Total Number Placed in Competitive Employment*: 198

Average Hourly Wage: $5.96

Average Work Week: 40 Hours per week

Funding Amount: $1,173,218

Cost Per Person Served: $691.75

Cost Per Person Placed: $5,925.34

* Job retention as defined by individual state JOBS requirements

GOODWILL INDUSTRIES OF AMERICA, INC.
VOCATIONAL SERVICES TO WELFARE RECIPIENTS

Goodwill Industries of North Central Wisconsin, Inc.
Menasha, WI

Program Description:

The computer/clerical training program provides participants hands-on, individually paced training in a variety of computer software applications and general office skills.

Assisted with job placement, program graduates obtain employment in a variety of office environments. Positions secured by past program participants include executive secretary, bookkeeper, billing clerk and insurance clerk.

Services Provided (and numbers served):

Counseling	39	Job Seeking Skills	39
Case Management	39	Follow-up	39
Training	39		

Total Number Served: 39

Total Number Placed in Competitive Employment*: 22

Average Hourly Wage: $5.84

Average Work Week: 40 Hours per week

Funding Amount: $35,000

Cost Per Person Served: $897.43

Cost Per Person Placed: $1,590.90

* Job retention as defined by individual state JOBS requirements

GOODWILL INDUSTRIES OF AMERICA, INC.
VOCATIONAL SERVICES TO WELFARE RECIPIENTS

Goodwill Industries of Southeastern Wisconsin, Inc.
Milwaukee, WI

Program Description:

Goodwill's JOBS program is designed to reduce dependency on public assistance by empowering participants to take control of their lives and prepare themselves for prompt and lasting economic self-sufficiency. This program is a part of the Job Center which houses a fully integrated and consolidated public welfare delivery system as well as a one-stop-shop for all community employment and training programs. Participants are required to commit 32 hours per week to the program which prepares them for full-time employment by engaging them in activities that make them more competitive in the local job market.

Services Provided (and numbers served):

Counseling	444	Job Seeking Skills	255
Evaluation	735	Placement	1,212
Case Management	2,933	Follow-up	1,494
Training	240	Remedial Education	384
Child Care	1,052		

Total Number Served: 2,933

Total Number Placed in Competitive Employment*: 1,212

Average Hourly Wage: $5.36

Average Work Week: NR

Funding Amount: $3,034,289

Cost Per Person Served: $1,034.53

Cost Per Person Placed: $2,503.53

* Job retention as defined by individual state JOBS requirements

GOODWILL INDUSTRIES OF AMERICA, INC.
VOCATIONAL SERVICES TO WELFARE RECIPIENTS

Goodwill Industries of Greater New York, Inc.
New York, NY

Program Description:

Goodwill Industries' Job Club, a JOBS program, is a program through which public assistance recipients have the best opportunity to realize the goal of achieving independence through unsubsidized employment. Participating in Job Club affords individuals the opportunity to learn basic necessities and skills regarding the "world of work," and to put these newly learned skills to use in finding and maintaining employment.

The Job Club, supported through a curriculum, offers reinforcement of fundamental principles, counseling and instruction to participants, giving them the skills and confidence necessary to achieve their personal goals of obtaining employment and moving closer to realizing economic independence.

Services Provided (and numbers served):

Counseling	1,000	Job Seeking Skills	1,633
Evaluation	1,200	Placement	381
Case Management	1,100	Follow-up	785
Training	1,633		

Total Number Served: 1,633

Total Number Placed in Competitive Employment*: 309

Average Hourly Wage: $7.32

Average Work Week: 34.4 hours per week

Funding Amount: $731,000

Cost Per Person Served: $477.64

Cost Per Person Placed: $2,365.69

* Job retention as defined by individual state JOBS requirements

GOODWILL INDUSTRIES OF AMERICA, INC.
VOCATIONAL SERVICES TO WELFARE RECIPIENTS

Goodwill Industries, Inc.
Serving Eastern Nebraska & Southwest Iowa
Omaha, NE

Program Description:

PROJECT RESOLVE:
Goodwill's Project Resolve promotes access to education, training and employment opportunities by reducing barriers caused by damaging attitudes, poor interpersonal skills and disadvantaged social circumstances.

This is accomplished by empowering participants with the fundamental belief that they can succeed; and the knowledge, resources and supportive services that make success attainable.

Services Provided (and numbers served):

Counseling	35	Remedial Education	276
Evaluation	138	Training	69
Transportation	345	Child Care	189
Follow-up	345		

Total Number Served: 345

Total Number Placed in Competitive Employment*: 65

Average Hourly Wage: $4.86

Average Work Week: 24 Hours per week

Funding Amount: $302,858

Cost Per Person Served: $877.84

Cost Per Person Placed: $4,659.35

* Job retention as defined by individual state JOBS requirements

COALITION ON WOMEN AND JOB TRAINING

October 21, 1993

Assistant Secretary Mary Jo Bane
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

COPY

Dear Assistant Secretary Bane:

The Coalition on Women and Job Training, comprised of 50 national organizations, strongly urges you to reject Wisconsin's pending AFDC waiver request. This proposal will seriously undermine President Clinton's basic principles for providing a safety net for poor families in this country through comprehensive welfare reform.

The Coalition believes that provisions for state waivers should only allow experimentation that enhances or enriches programs and does not reduce benefits or options for any welfare recipient or group of recipients. The federal government must include minimum program requirements to ensure there are universal elements in all states, thus ensuring there is equity between recipients from different states.

We are especially concerned that Wisconsin's proposal has no assurance for education and training services (including supportive services) needed by the recipient, and in fact, will sharply restrict access to education and training by requiring workfare. Workfare is not work-based learning and is the least effective way to raise welfare recipients earnings. This is in direct conflict with President Clinton's firm belief that education and training services must be a significant piece of welfare reform if families are to become economically self-sufficient.

Furthermore, we oppose Wisconsin's request to prohibit families from receiving AFDC benefits for three years following a twenty-four month period of receipt. Such an arbitrary time limit fails to take into account the needs of dependent children, individual circumstances and the failure of the economy to generate decent jobs.

The Administration must send a strong signal to states that the basic safety net of AFDC is not optional. The Wisconsin waiver request must be rejected.

Sincerely,

Jill Miller

Jill Miller
Chair

c/o National Displaced Homemakers Network • 1625 K Street, NW
Suite 300 • Washington, DC 20006 • 202-467-6346 • FAX 202-467-5366

cc: Donna Shalala, Secretary of Health and Human Services
David Ellwood, Assistant Secretary for Planning and Evaluation
Carol Rasco, Assistant to the President for Domestic Policy
Bruce Reed, Deputy Assistant to the President for Domestic Policy

Women's Job Training Agenda

Coalition on Women and Job Training

c/o National Displaced Homemakers Network
1625 K Street NW, Suite 300
Washington, DC 20006
Phone 202/467-6346
Fax 202/467-5366

Printing courtesy of the United Food and Commercial Workers International Union

December, 1992

ENDORSING ORGANIZATIONS

American Association of University Women
American Nurses Association
Association for Community-Based Education
Black Women's Agenda
Center for Law and Education
Center for Policy Alternatives
Center for Women Policy Studies
Coalition of Labor Union Women
Coalition on Human Needs
Institute for Women's Policy Research
Jobs for Youth
National Association of Cuban American Women in the U.S.
National Council of Negro Women
National Displaced Homemakers Network
National Women's Law Center
9 to 5: National Association of Working Women
NOW Legal Defense and Education Fund
Older Women's League
Organization of Pan-Asian American Women
Payne, Shea and Associates for the National Women's Business Enterprise Association
Resource Center on Educational Equity of the Council of Chief State School Officers
United Food and Commercial Workers Union
U.S. Basic Skills Corporation
Wider Opportunities for Women
Women and Poverty Project
Women's Legal Defense Fund
YWCA of the U.S.A.

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The Coalition on Women and Job Training is pleased that job training and job creation are at the forefront of the nation's economic policy agenda. With the promise of a new infusion of public investment in training and job creation, we must invest in women. A government effort to grow the economy can only be successful if we spend equitably and effectively on women's economic development.

One of the critical flaws in past job training programs has been the failure to recognize the fact that women experience different barriers to employment than do men, and therefore have different job training needs. The result of such "gender-blind" employment and training policies and programs has been that services essential for women's full participation in training and achievement of economic self-sufficiency have been under-emphasized or left out altogether.

We urge the adoption of the following guiding principles for the development of the nation's employment and training policy. Policies founded on these principles will help ensure that women have equal access, opportunity and benefit from the programs developed.

Principles for Equity in Employment and Training Policy and Practice

- *Recognize women's unique employment and training needs.*
- *Enforce legal requirements prohibiting discrimination and promoting affirmative action.*
- *Establish long-term economic self-sufficiency as the program goal for every participant.*
- *Ensure women's access, regardless of age or personal circumstance, to all training programs.*
- *Provide the full extent of support services needed.*
- *Ensure that women have an equitable role as decision makers in design, administration, implementation and monitoring at all levels of the system.*

Using these principles as a guide, and drawing on the many years of our organizations' direct experience in designing and implementing effective women's employment and training services and programs, we have developed the **Women's Job Training Agenda.** This Agenda is intended to provide essential information on the kinds of employment-related policies that lead to women's long-term economic self-sufficiency.

A Self-Sufficiency Standard

Performance standards presently used by job training programs are inadequate for women because they are narrowly focused on a few outcomes -- percentage of trainees who obtain employment, wages at placement, and job retention rates. They do not examine competency attainment or progress. Nor do they provide a means to judge the quality of jobs obtained through a training or education program.

Performance standards should be based on a broader *self-sufficiency standard*, which judges the quality of a job by taking into account the economic needs of the trainee, and family members supported by the trainee, as well as local variations in the cost of living. A self-sufficiency standard would include realistic and up-to-date housing, dependent care, health care and transportation costs.

Program Content

In order to meet any but the most short-term needs of women, education and training programs must provide individuals with basic and advanced academic skills, competencies in all aspects of the industry they are preparing to enter, and a range of pre-vocational services. Women should have access to specialized services that address their unique barriers.

In addition, every woman participating in any job training program should receive information about and exposure to non-traditional occupations. This is a critical step in breaking the cycle of gender-based occupational segregation.

Many women such as women of color, displaced homemakers and older women are more likely to seek services from community-based organizations (CBOs) than from campus-based programs. Therefore, CBOs must be an integral part of every service delivery strategy.

Support Services

Support services, especially dependent care and transportation are vital for most women to succeed in the job training system. Fully subsidized dependent care must be provided for program participants in every federal job training program. Support services must be provided both during program participation and during a transition period after placement into a job. These services must also be made available to all women in the job training system, not just welfare recipients.

Addressing the dependent care needs (both child and adult) of low-income families requires consideration of the needs of the responsible family member as well as the needs of the dependent family member. High-quality care must be available to ensure that low-income families are not subjected to a separate and inadequate system. Dependent care for job training program participants must be paid for at locally determined market rates to ensure that low-income families have access to quality care.

Adequate transportation is an integral component of a support services package which will enable low-income women to take advantage of job training opportunities. Programs should be allowed flexible payments, reimbursement or advances, depending on the transportation needs of the programs' participants. All employment and training programs should reimburse participants for transportation costs that are necessitated by dependent care.

PERFORMANCE AND EVALUATION

The goal of performance measurement and evaluation mechanisms should be to assist program participants to achieve long-term economic self-sufficiency. All measurements of participant progress, program performance and employer accountability should drive the system toward achievement of that goal. A key component of effective program and participant measurements is a comprehensive and uniform data collection system.

When a self-sufficiency standard is in place, the program performance standards must reflect the emphasis on the *quality* of the job placement and not narrowly focus on a few outcomes. The standards must also ensure that women are receiving the *full* complement of services needed to achieve long-term economic self-sufficiency, regardless of their pre-placement status as a welfare recipient, displaced homemaker or full- or part-time worker.

All internships, work experience or job placements should fully utilize and continue to develop women trainees' skills. This requires workplaces in which jobs use a range of competencies, authority is decentralized and on-going education and training is emphasized.

Measurements used to assess the participant's progress and competency should be free of biases that create barriers for women, people of color, individuals with disabilities, low-income individuals, individuals with limited English proficiency, and older workers. Under no circumstances should measurements of participant progress be used to penalize the participant.

JOB CREATION

Many strategies will be needed to create new, high-wage jobs for U.S. workers. Promotion of emerging technologies, development of the nation's infrastructure, conversion of defense industries to civilian technology, microenterprise development and the creation of a national service corps are all promising options. However, it must be cautioned that it is not a given that all Americans will benefit equally from such job creation efforts. Clear and specific policies must be put in place that will ensure that women and other disadvantaged groups receive their share of the prosperity promised by new jobs that pay enough to support a family.

Special recruitment, training and support efforts must be made to move women into non-traditional, high-wage jobs. The high-wage jobs that are created should not be limited to those occupations traditionally dominated by men. In addition, new jobs should be designed to reflect the characteristics of high-performance work organizations.

Micro-enterprise development for women should be promoted. Statutory barriers to self-employment for public assistance recipients and JTPA participants must be eliminated. In addition, discriminatory practices in lending must be eliminated.

Jobs created through a national service corps program should provide significant training and lead to permanent, unsubsidized employment in a job that will yield economic self-sufficiency. Women and other disadvantaged groups *of all ages* must have equal access to the jobs that are created.

MANDATED EMPLOYER CONTRIBUTIONS FOR WORKER TRAINING

One of the proposals put forth for supplementing federal training dollars is mandated employer contributions requiring business and industry to invest in retraining the American workforce. Employers would be assessed a percentage of the total wages paid in a calendar year.

If such a pool of training dollars is created, it must include a number of provisions to ensure gender and racial equity in the administration and implementation at the state and local levels. The track record of employers and the current training system indicates that without specific equity provisions, the occupational and training segregation that has resulted in high poverty rates for women and people of color will only be perpetuated by an employer-paid training trust fund.

In assessing applications for funding, priority consideration should be given to applications that propose training and education of women workers for nontraditional jobs within the business or industry. Priority consideration should also be given applications that propose training for unskilled and low-wage workers.

APPRENTICESHIP

Many apprenticeships lead those being trained to high wage, skilled occupations with built-in career ladders designed to increase pay and responsibility as skills increase. Yet, the current apprenticeship system serves only a fraction of the women and girls who would be interested in these training opportunities. In 1990, women held only 7.1% of the nation's registered apprenticeships. Moreover, the preponderance of women in apprenticeships (63%)

are concentrated in the occupations with the lowest earnings among apprenticeable trades.

Strategies to increase women's participation in apprenticeship programs should be institutionalized by the Department of Labor through joint planning and coordination among the Bureau of Apprenticeship Training (BAT), the DOL Women's Bureau and the Office of Federal Contract Compliance (OFCCP). Coordinated efforts to assure full participation of women should include setting yearly goals for improving the participation of women in apprenticeship programs (including enforcement of affirmative action goals), yearly reporting on actual progress, active monitoring of major federal projects, developing and monitoring corrective action plans, providing technical assistance to solve the problems, and -- if a good faith effort is not demonstrated -- decertifying apprenticeship programs and/or barring contractors.

Apprenticeship sponsors must put in place systematic policies to address sexual harassment and to annually organize training programs for instructors, on-the-job supervisors, and co-workers on preventing and addressing sexual harassment in the workplace and in apprenticeship training. Support services must be provided to women in apprenticeship programs.

More resources should be devoted to expand the scope and reach of apprenticeships to include more adults and to develop apprenticeship programs in new technologies and high-demand career areas -- both traditional and non-traditional for women -- such as health, environment, and computer technologies.

WELFARE-TO-WORK

Comprehensive welfare-to-work programs are an essential component of job training policy. However, these programs only serve a very small percentage of the women who need job training and therefore should not be the focus of services targeted to women.

The goal that should underlie all education and training programs for welfare recipients under the current welfare system (primarily Aid to Families with Dependent Children, or AFDC) is assisting recipients to achieve long-term economic self-sufficiency rather than removing them from public assistance.

To do this training programs should be adequately funded. They should support and encourage higher education and training for skilled jobs. Support services, a key to moving welfare recipients into employment and out of poverty, should be provided.

In addition to these elements of the Family Support Act, there are basic principles to be followed in making changes in welfare, employment, and training policies:

- *Under the current AFDC system, benefits must not be cut any further.*

- *Arbitrary time limits on the receipt of welfare are unacceptable.*
- *Punitive approaches to welfare reform are unacceptable.*
- *Welfare programs are not human laboratories.*

COORDINATION VS. CONSOLIDATION

Increased coordination among the many diverse federal employment and training programs is desirable. The primary purpose of all coordination efforts should be to make it as easy as possible for participants to gain access to the full range of services for which they are eligible. In developing coordination strategies, special care must be taken to avoid *consolidating* and thus reducing the effectiveness of programs and services that address special or unique needs of women or other disadvantaged groups.

To achieve this, women must have an equitable role as decision makers in design, administration, implementation and monitoring at all levels of the system. Whenever one federal program has developed an initiative that increases access and quality of services for women or other disadvantaged groups, coordination plans should be required to promote the success of that initiative in every way possible. Efforts aimed at coordinating education and employment and training services for low-income women should include *all* government services available to that population, including AFDC, housing, food stamps, general assistance, etc.

An important objective of coordination is to assure that a client has easy access to the full complement of services she needs in order to achieve economic self-sufficiency. It must be acknowledged by the administrative entities involved that this may result in fewer clients being served, because those who are served will be receiving services they would not have had access to under a less coordinated system. Unless this fact is acknowledged, administrative entities will continue to try to evade financial responsibility for providing services the client needs.

CONCLUSION

America needs the contributions of women as we work to rebuild our economy. Women represent forty-five percent of our work force. They are the doctors that care for our sick, the teachers that teach our children, and the tradeswomen that will rebuild our infrastructure. Americans must pull together to strengthen our economy. But our goal must be growth <u>with</u> equity. Without highly skilled women workers, we can not build a strong America.

What is needed is a commitment to establish a more aggressive plan to train and place women of all ages and work experience in high-wage occupations with fringe benefits. As outlined here, this means changing the status quo of employment and training policies and practices. It means investing in and implementing programs that already exist but have yet to be funded such as the Displaced Homemakers Self-Sufficiency Assistance Act and the Women in Apprenticeship and Non-traditional Occupations Act. And it means aggressively implementing job training guidelines and goals such as those in the Non-traditional Employment for Women Act, as well as creating new programs to promote economic self-sufficiency for women.

Our organizations are committed to developing a truly world-class employment and training system that will bring women into the nation's economy as full and equal participants and beneficiaries. We welcome the opportunity to work with policy makers on an ongoing basis to bring about these needed changes through legislative and administrative remedies.

INTRODUCTION

The Coalition on Women and Job Training is pleased that job training and job creation are at the forefront of the nation's economic policy agenda. With the promise of a new infusion of public investment in training and job creation, we must invest in women. A government effort to grow the economy can only be successful if we spend equitably and effectively on women's economic development.

One of the critical flaws in past job training programs has been the failure to recognize the fact that women experience different barriers to employment than do men, and therefore have different job training needs. The result of such "gender-blind" employment and training policies and programs has been that services essential for women's full participation in training and achievement of economic self-sufficiency have been under-emphasized or left out altogether.

Several job training proposals that have been put forward recently by respected employment and training policy analysts have not mentioned women at all. These proposals neglect to address these crucial issues affecting more than half the population needing employment and training services or only focus on the small percentage of women receiving public assistance.

Adding to the problem is the fact that job training policies of the past have gone only half-way toward solving the problem of poverty -- shifting people off welfare without lifting them up to economic self-sufficiency. Any credible job training proposals must have as their goal long-term economic self-sufficiency for all participants.

It is equally important to realize that not all women in need of job training services are welfare recipients. The nation's employment and training system must also address the needs of women who are among the working poor, single women, married women, displaced homemakers, women who are dislocated workers, and older women who can't afford to leave the workforce. Our country's employment and training policies must address the needs of the full range of women needing training to enter or upgrade their positions in the workforce in order to attain economic self-sufficiency. The policies must also reflect the important contributions that community-based organizations have played in assisting women achieve their employment and training goals.

The cornerstone of efforts to assure the success of employment and training programs for women and people of color is the strict enforcement of all legal requirements that 1) prohibit discrimination in employment and education and 2) promote affirmative action. This requires snfficient funding and staffing for the Equal Employment Opportunity Commission, the Office of Federal Contract Compliance (Department of Labor), and the Office of Civil Rights (Department of Education).

In an increasingly competitive global marketplace, we cannot afford to waste the talents of a single person. The task now is to craft employment and training policies that will ensure that all Americans will have access to training and jobs that will allow them to participate fully in the nation's economy.

We urge the adoption of the following guiding principles for the development of the nation's employment and training policy. Policies founded on these principles will ensure that women have equal access, opportunity and benefit from the programs developed.

Principles for Equity in Employment and Training Policy and Practice

- Recognize women's unique employment and training needs.
- Enforce legal requirements prohibiting discrimination and promoting affirmative action.
- Establish long-term economic self-sufficiency as the program goal for every participant.
- Ensure women's access, regardless of age or personal circumstances, to all training programs.
- Provide the full extent of support services needed.
- Ensure that women have an equitable role as decision makers in design, administration, implementation and monitoring at all levels of the system.

Using these principles as a guide, and drawing on the many years of our organizations' direct experience in designing and implementing effective women's employment and training services and programs, we have developed the **Women's Job Training Agenda**. This Agenda is intended to provide solid information on the kinds of employment-related policies that lead to women's long-term economic self-sufficiency.

A SELF-SUFFICIENCY STANDARD

THE ISSUE

Long-term economic self-sufficiency should be the goal of all employment and training programs and policies. Presently, this outcome is seldom achieved, and is difficult to identify when it does occur.

Performance standards presently used by job training programs are particularly inadequate for women, because they are narrowly focused on a few outcomes -- percentage of trainees who obtain employment, wages at placement, and job retention rates. They do not examine competency attainment or gains. Nor do they provide a means to judge the quality of jobs obtained through a training or education program. By using only these measures, the different needs of women and their families are not recognized, and misleading conclusions can be drawn. For example, a job that pays $5.00 per hour and does not have health insurance benefits may be adequate for a single person living with his/her family, but for a woman with dependents, both the income and the lack of benefits make it inadequate to her needs.

THE SOLUTIONS

✓ **Performance standards should be based on a broader *self-sufficiency standard*, which would judge the quality of a job by taking into account the economic needs of the trainee and family members supported by the trainee, as well as local variations in the cost of living.**

A **self-sufficiency standard** would incorporate the following elements:

- It would be set at a level at which a recipient would be not only better off than if he/she was receiving public assistance, but one at which she/he had resources sufficient to meet the family's basic needs, for food, shelter, health care, child care, etc., without public subsidies.

- It would incorporate both monetary and non-monetary resources; e.g., health insurance as well as wages.

- It would vary by family size and composition (number of children, number of adults).

- It would vary by local living costs, especially housing.

- Since self-sufficiency requires long-term employment, it would incorporate a measure of the employment obtained subsequent to training; obtaining a job that meets the other criteria, but only lasts one month, would thus not meet the standard. It would also measure not just retention in the first job, but the total amount of employment, over as long a period as is practicable -- at least six months, preferably a year -- in order to pick up those who may lose the first job, but then obtain a second job, perhaps at higher wages.

✓ **A self-sufficiency standard would acknowledge that just as job markets differ from one locality to another, achieving self-sufficiency varies from community to community.** Thus each community -- or in JTPA terminology, each SDA -- would develop its own set of self-sufficiency standards.

There are two possible approaches that could be taken.

- First, the National Academy of Sciences, or another organization, could be commissioned to develop a process or formula to be used in each community to develop its self-sufficiency standards.

- Or secondly, the basics of such a system could be outlined in legislation.

Either way, it would start with the **poverty threshold**; the poverty threshold provides a very bare minimum for the necessities, such as food and clothes, but it has become increasingly out-of-date, particularly in regards to some kinds of costs (for example, housing and child care), and does not incorporate geographical variations at all. By adding these underestimated or excluded costs not adequately recognized in the compilation of the poverty threshold, and varying it by geographic area and family composition, we will have a relevant standard against which we can truly measure whether a program has helped a parent and her family become economically self-sufficient. There would be several common elements to the **poverty threshold**:

- **Housing costs would be incorporated by adding in the difference between 30% of the poverty threshold and the local area's average rent (using the HUD Fair Market Rent for the appropriate size unit).** (The figure of 30% was chosen because that is the maximum used by public housing authorities as the proportion a person should pay for housing). Depending upon the area custom -- whether utilities are included with the rent or not -- utilities cost should be added as well. For example, let us assume that the poverty threshold for a family of 3 is \$12,000; 30% of that is \$3600, or \$300 per month for housing. If the HUD Fair Market Rent for a 2-bedroom apartment in that area is \$400, then we would add \$1200 (\$400 HUD FMR - \$300 poverty threshold allowance = \$100/month x 12 months = \$1200) to the poverty threshold of \$12,000, raising it to \$13,200.

- **Child care costs should be added in their entirety to the poverty threshold, because the poverty threshold does not include child care costs at all.** Local surveys may be used, or the rate established under the Family Support Act (which is mandated to reflect a rate which accesses 75% of the local market). Likewise, a similar figure for adult dependent care costs should be developed and included where appropriate; i.e., where a family has an adult dependent.

- **Health care costs are also not included at all in the calculation of the poverty threshold.** Average costs to employees, e.g., their share of premium costs, should be included, for full family health care coverage. This figure should average those who have to buy insurance on the individual market with those who have employment-related coverage to arrive at an average cost.

- **Transportation costs are also not included in the poverty threshold, and thus must be included in their entirety.** Costs for the area would take into account the adequacy of public transportation, or the need for using private transportation (cabs or car repair for trainee's own car).

- **Other costs should be incorporated as needed.** For example, uniforms in certain occupations or tools not provided by employers (e.g., auto mechanics usually own their own tools) may be a minor or major barrier to self-sufficiency because of their cost.

PROGRAM CONTENT

THE ISSUE

In order to meet any but the most short-term needs of women, education and training programs must provide individuals with basic and advanced academic skills, competencies in all aspects of the industry they are preparing to enter, and a range of pre-vocational services. The Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990 recognizes this and mandates that vocational education programs receiving funds under the Act focus on these criteria. These provisions of the Perkins Act should be reinforced and included as the keystones of all other vocational or workforce preparation programs. Women such as displaced homemakers and single parents should have access to specialized services meeting their particular needs.

Non-traditional occupations are an important link in breaking the cycle of gender-based occupational segregation. Yet few women are aware of the non-traditional occupation opportunities that exist. In fact, the small proportion of women in non-traditional occupations -- about nine percent -- has remained virtually unchanged in two decades. A much stronger, focus on non-traditional occupations for women is needed across all programs.

Because of problems of accessibility and negative past experiences, many women such as women of color, displaced homemakers and older women are more likely to seek services from community-based organizations (CBOs) than campus-based programs. Therefore, CBOs must be an integral part of every service delivery strategy.

THE SOLUTIONS

✓ **In order to provide women with real, long-term employment opportunities, programs should integrate employment/vocational training and academic education to provide participants with strong development and use of problem-solving skills and basic and advanced academic skills.**

Many women enter the education and training system with deficiencies in basic and academic skills. In order to ensure the success of these women in education and job training, it is critical that both basic and advanced academic skills instruction (math, science, reading, writing, social studies) be an integral part of the services offered within the employment and training system.

As technology rapidly changes in the workplace, the required skills of an employee have become more extensive. Rather than being isolated experts in narrowly defined fields, successful workers must become team participants. They must be capable of understanding many different types of information and must be able to use that information to solve problems and make decisions with co-workers.

Integration is a powerful tool to help individuals gain advanced academic competencies by showing them how academic ideas work in the real world and why they are important. In secondary education in particular, it is vital to ensuring that vocational education does not serve as a second-class track within schools, and thus within society. When vocational students come out of programs with basic and advanced academic skills, they can choose from a much wider array of education and work opportunities.

✓ **All programs serving women should provide experience in and understanding of all aspects of the industry.**

Programs, including apprenticeships, should ensure that all women are provided with strong understanding of and experience in all aspects of the industry they are preparing to enter, including: planning, management, finance, technical and production skills, underlying principles of technology, labor issues, community issues and health, safety and environmental issues. Providing women with strong understanding of and experience in all aspects of the industry they are preparing to enter is essential to:

- **Empowering women to make career and life choices.** If programs provide only the skills for one job, they force women to choose what occupation they will have for the rest of their lives. Such programs leave them unprepared to change their career goals or to cope with labor market changes. Teaching all aspects of an industry gives women transferable skills, such as planning and management, which expand their later opportunities.

- **Enabling women to adapt to technological change.** Asking programs to predict how technology will change and to constantly revamp equipment is no longer reasonable -- if it ever was. Providing women and all students with broad skills in all aspects of an industry, together with academic skills, enables them to understand and adapt to changes when they leave school and throughout their careers.

- **Involving women in economic development.** If programs prepare women only to fill the current job openings in low-income communities, they are left dependent upon too few jobs, which demand too few skills and provide too little income for a decent life. In contrast, those who understand and have experience with planning, management, community issues, etc., can survive, thrive, and help others in their communities.

- **Preparing women to succeed in high-performance work places.** High-performance work places are ones where each worker has responsibility for a range of tasks, shares decision-making, and uses information from a host of areas to solve problems and initiate improvements. Teaching "all aspects of the industry" is the best way to provide those skills. It cuts across barriers between management and front line workers and ensures that everyone has the skills to make decisions and adapt to changes.

✓ **The job training system should provide women with the full range of pre-vocational services needed to ensure successful training and job retention.**

Experts in women's employment and training policies and programs have found that women are most successful when they receive comprehensive services, not short-term skills training only. These services include, but are not limited to: career counseling and education, job readiness, support groups and individual counseling, referral to community and emergency services, support services and life skills development (parenting, financial management, goal-setting, self-esteem/assertiveness training) and information about and referrals to community services.

✓ **All programs serving women should be required to offer information and exposure to non-traditional occupations and training.**

Unless there are aggressive policies and practices to move women, whether they are teen mothers, welfare recipients or displaced homemakers, into higher-wage, non-traditional jobs, the occupational segregation that does not allow women to adequately provide for themselves and their families will continue. Most programs targeted to women are still training them for female-dominated, low-wage jobs.

An important legislative measure to begin addressing this problem has recently passed. The *Nontraditional Employment for Women (NEW) Act* requires the JTPA system at the state and local levels to set goals and report on the number of women receiving nontraditional training. This law needs close, aggressive monitoring and evaluation by the federal government if it is to change the system.

✓ **Women should have access to specialized services that address their unique barriers.**

The *Displaced Homemakers Self-Sufficiency Assistance Act (DHSSAA)* is a much needed program to assist mid-life and older women to move into the work force and become economically independent. The DHSSAA builds on the strengths of the current system and would assure that displaced homemakers in every state have access to the specialized support, career counseling, education and training that they need to become economically self-sufficient. Despite passing Congress unanimously and being signed into law more than two years ago, no funds have been appropriated for this program. This program should receive full funding ($35 million) for FY 1994.

SUPPORT SERVICES

THE ISSUE

Support services, especially dependent care and transportation are vital for most women to succeed in the job training system. A recent glaring example of the importance of including these services can be found in the McKinney Homeless Assistance Act. The McKinney Act provided for job training for homeless individuals, but failed to include child care services. As a result, almost no women have been able to acquire needed training.

Support services must be provided both during program participation and during a transition period after placement into a job. These services must also be made available to all women in the job training system, not just welfare recipients.

THE SOLUTIONS

✓ Dependent Care

Addressing the dependent care needs (both child and adult) of low-income families requires consideration of the needs of the responsible family member as well as the needs of the dependent family member. High-quality care must be available to ensure that low-income families are not subjected to a separate and inadequate system.

- Fully subsidized dependent care must be provided for program participants in every federal job training program.
- Subsidized dependent care must be provided for all workers' families whose total income does not meet the self-sufficiency standard except in two-parent families if one parent chooses to remain at home to care for their family.
- The responsible family member must be allowed maximum flexibility, in accordance with adequate standards that will ensure quality and safety, to select the care that meets their needs and those of their dependent family members.
- Dependent care for job training program participants be paid for at locally determined market rates to ensure that low-income families have access to quality care (see Self-Sufficiency Standard, p. 5).

- Each state should be required to establish information and referral systems to help families acquaint themselves with the available dependent care services and subsidies.

✓ **Transportation**

Adequate transportation is an integral component of a support services package which will enable low-income women to take advantage of job training opportunities. These women often live in areas where public transportation is either very expensive or non-existent.

- Communities administering job training programs should have the flexibility to combine existing transportation services and develop new services as needed through the use of public, non-profit and private sources.

- All employment and training programs should reimburse participants for transportation costs that are necessitated by dependent care.

- Programs should be allowed flexible payments, reimbursement or advances, depending on the transportation needs of the programs' participants.

✓ **Other Necessary Services**

Many women face particular challenges due to economic disadvantage, educational disadvantage, disability or limited English proficiency. All employment and training programs should provide participants with the full range of services needed to succeed. Participation criteria that screen out those with significant support service needs should be prohibited. Otherwise, those women most in need of training will be excluded.

PERFORMANCE AND EVALUATION

THE ISSUE

The goal of all government-sponsored employment and training programs should be to assist the participant to achieve long-term economic self-sufficiency. Achievement of that goal depends on the efforts of both the service provider and the participant. The primary role of public policy should be to facilitate the success of both parties' efforts. One way that government can do this is to establish a process of measuring the progress and ultimate success of the programs and their participants. A key component of effective program and participant measurements is a comprehensive and uniform data collection system.

THE SOLUTIONS

✓ **Measuring Participant Progress and Competencies**

Measurements used to assess the participant's progress and competency should be designed to provide information to both participant and service provider. These can be used to tailor the services being provided to yield maximum benefit for the participant. These measurements are also a critical component of evaluating a program's performance. Under no circumstances should measurements of participant progress be used to penalize the participant.

- **Assessment instruments must be free of biases that create barriers for women, people of color, individuals with disabilities, low-income individuals, individuals with limited English proficiency, and older workers.**

  As a nation, our record of using fair, valid, and appropriate assessments is dismal. We have relied heavily on standardized multiple-choice tests that contain both race and sex biases.

  The only way to effectively develop bias-free assessment instruments is to develop them with the full and ongoing participation of representatives of women and other disadvantaged people. It is critical that these representatives be involved from the outset. The federal government should take a leadership role in developing bias-free assessment instruments as well as stimulating the development of such instruments by the private sector.

- **Competency assessments that measure participant progress must be comprehensive, encompassing basic and advanced academic skills in reading, writing, math, science and social studies, and experience in and understanding of all aspects of the industry participants are preparing to enter.**

  Only in this way can the standards encompass the broad and advanced skills needed by individuals to work in high-performance workplaces, to adapt to technological and industrial change, and to pursue a range of opportunities within and across industries.

- **Individual competency standards should only be used to evaluate current employees when results will be used solely to determine the need for training, which the employer will provide (or provide for) during work hours and without financial or other penalty to the worker.**

  Too often, competency tests and standards have been used to jeopardize workers' jobs and earnings, even when they were successfully performing their jobs. Workers with low scores on literacy audits have been replaced by new hires, placed in positions with no advancement potential, and/or been denied wage increases. Importing externally-developed standards to the workplace particularly hurts women and low-income individuals who are successfully performing their jobs but may have had less formal training.

✓ Measuring Program Performance

When a self-sufficiency standard is in place, the program performance standards must reflect the emphasis on the quality of the job placement and not narrowly focus on a few outcomes. The standards must also ensure that women are receiving the full complement of services needed to achieve long-term economic self-sufficiency, regardless of their pre-placement status as a welfare recipient, displaced homemaker, full- or part-time worker.

- **Formulas allowing variations in performance standards should be designed to promote employment and training strategies that result in economic self-sufficiency for populations that face the greatest barriers to self-sufficiency.**

  Current JTPA formula adjustments allow programs to set lower achievement goals for serving those with multiple barriers. As a result, programs fail to provide the range of services these individuals need to obtain jobs with high wages.

  Standards should not be lowered when the proportion of "hard-to-place" individuals is greater than the average across all jurisdictions. Standards should instead reward those who perform better with all women as well as men of color. Specifically, rewards should recognize not only just reaching the self-sufficiency standard, but for exceeding self-sufficiency goals for women and minorities. For example, an entity which serves a higher than average proportion of women and obtains for the female trainees unusually well-paying jobs thus exceeding the self-sufficiency goals by a substantial amount should be rewarded with more incentive money than an entity that just barely meets its self-sufficiency goals, even if it serves a disproportionately high number of women and/or minority men.

- **Performance standards must ensure that all women receive the support services they need to succeed in programs.** (See section on Support Services.)

- **Performance standards should include participant competency standards.** (See preceding section.)

✓ **Employer Standards**

- **All internships, work experience or job placements should fully utilize and continue to develop women trainees' skills. This requires work places in which jobs use a range of competencies, authority is decentralized and on-going education and training is emphasized.**

  Such workplace standards are essential to making work-experience components useful. The main purposes of work experience components are 1) to give women the opportunity to use the skills they are learning and 2) to help women understand why those skills are important. These goals are not accomplished if women are taught about all aspects of the industry but then go to a work site that is organized according to a mass production model, where jobs are broken into numerous rote tasks. Work at that site would not enable women to apply their knowledge and skills on the job, nor would it help them to see how those skills are important to their futures.

✓ **Data Collection**

Data collection and reporting should be viewed as an important management tool to assess performance, to set and refine program goals and objectives, to monitor equitable treatment of all eligible populations and to monitor and enforce all OFCCP requirements. Data reports should be readily available to service providers, and data collection and reporting requirements should not be overly burdensome. Without comprehensive and standardized data collection, it is impossible to fully evaluate and measure whether the job training system is adequately meeting women's needs.

- **A uniform data collection system should be developed for use in every federal job training program, regardless of the administering agency.**

  It is common for programs serving women to use funds from more than one federal program to provide their participants with the services they need; e.g., child care from JOBS, training from JTPA, life skills development from Perkins. These different systems do not provide states or the federal government with a mechanism for fully evaluating the effectiveness of the various job training programs or the effectiveness of coordination efforts. In addition, service providers are burdened with using separate and often disparate data collection instruments and reporting requirements for each funding source.

- **All data should be collected and reported at all levels (local, state and national) by relevant age, sex and race variables.**

  It is especially vital that services provided, type and focus of job training, and outcomes are reported in this manner. The current data collection system does not provide answers to basic questions about job training programs' ability to meet the needs of different groups of women: women over age 40, Hispanic women, displaced homemakers, welfare recipients, underemployed women, etc. that have received training for non-traditional careers. Policy and program adjustments cannot be effectively made without information at this level of detail.

- **Data should be reported by local service providers by individual participant, not just in aggregate.**

  When data is reported in the aggregate by local service providers, neither the local program, states nor the federal government have a way of determining what specific set of services lead to a successful outcome for various participant profiles or determining whether the lack of providing specific services lead to program incompletion. This information is especially important for serving women who are juggling family responsibilities with program participation.

- **It should be required that data from employment and training programs be made available to agencies responsible for enforcing equal opportunity requirements.**

  Program performance, retention and evaluation data should be broken down by sex, race, ethnicity and age of participants. All data collection efforts should be coordinated with the EEOC and the OFCCP so that categories are comparable and employment and training data can be used in the compliance process on a regular basis.

JOB CREATION

THE ISSUE

Many strategies will be needed to create new, high-wage jobs for U.S. workers. Promotion of emerging technologies, development of the nation's infrastructure, conversion of defense industries to civilian technology, microenterprise development and the creation of a national service corps are all promising options. However, it must be cautioned that it is not a given that all Americans will benefit equally from such job creation efforts. Clear and specific policies must be put in place that will ensure that women and other disadvantaged groups receive their share of the prosperity promised by new jobs that pay enough to support a family.

THE SOLUTIONS

✓ **Special recruitment, training and support efforts must be made to move women into non-traditional, high-wage jobs.**

Most high-wage jobs, including many of those that would be created through expanded investment in infrastructure and emerging technologies, are traditionally held by men. Policies must be put in place to ensure that women have equal access to training for these jobs, and that they receive the additional support needed to help them succeed in a non-traditional environment. Specific commitments should be made to hire substantial numbers of women and other disadvantaged groups for these jobs.

✓ **High-wage job options should not be limited to those occupations traditionally dominated by men.**

Traditional assumptions about priorities for public expenditures for job creation must be reexamined. For example, rebuilding the nation's infrastructure should not be limited to construction of roads and bridges, but should also include building and maintaining an infrastructure of child care, after-school care, eldercare, education and health care. In creating jobs in these sectors, care should be taken to redefine the nature and value of the work involved. We cannot afford policies that promote a double standard that says children are our nation's most important resource and are worthy of substantial investment (such as Head Start and other highly effective programs), while asserting that the individuals who provide those services merit minimal wages, no benefits and part-time employment structures that minimize job quality and fail to attract and keep skilled workers.

✓ **Federal statutory goals for awarding prime and sub-contracts should be expanded to include women-owned businesses.**

Presently, women-owned businesses are not included in most statutory contracting goals governing federal agencies. "Good faith" efforts by federal agencies have resulted in minimal contract awards to women-owned businesses. Given that by the end of 1992 women-owned businesses will employ more people than the Fortune 500 companies, this is not only unfair, it makes poor economic sense as well.

Evidence shows that statutory requirements have a significant impact on the amount of federal contracting dollars directed toward women-owned businesses. Under the Department of Transportation's Disadvantaged Business Program's "good faith" efforts, 2.7% of contracting dollars went to women-owned businesses. When women were included in *statutory* requirements governing the Department, the amount of contracting dollars going to women-owned businesses doubled to 5.4%. Statutory contracting goals for contracting with women-owned businesses should be established for *all* federal agencies.

✓ **Micro-enterprise development for women should be promoted.**

Federal funds must be devoted to supporting existing programs that assist women to develop small or micro-enterprises. Funds should also be devoted to the replication of these successful models throughout the country. There must be coordination between small business development and job training, vocational education and welfare programs. This means, at minimum, that these programs introduce the concept of entrepreneurship as an employment option, and facilitate exploration of that option for interested participants. To further facilitate the success of low-income women as entrepreneurs, statutory barriers to self-employment for public assistance recipients and JTPA participants must be eliminated. In addition, discriminatory practices in lending must be eliminated.

✓ **Jobs created through a national service corps program should provide significant training and lead to permanent, unsubsidized employment in a job that will yield economic self-sufficiency. Women and other disadvantaged groups of all ages must have equal access to the jobs that are created.**

Policies governing allocation of funds must provide for enforcement of equal access requirements. It should be required that affirmative steps be taken to train and place women in non-traditional jobs. Quality, affordable dependent care which would make employment feasible for those with family responsibilities should be provided.

Service corps participation should be open to adults of all ages. Many women, such as displaced homemakers, enter the labor market for the first time well after their high school years are past. Service corps jobs represent an ideal opportunity for these women to gain needed training and work experience.

Wherever possible, subsidized job creation efforts should reach beyond work and wages to create model work environments. On-site dependent care, transportation and other services should be part of the effort to create jobs that will yield economic self-sufficiency for the workers.

The creation of service corps jobs must not displace existing workers or undermine union contracts. Contractual job rights, such as seniority and rights of laid off workers should not be adversely affected by the hiring of subsidized workers.

✓ **New jobs should be designed to reflect the characteristics of high-performance work organizations.**

The work should utilize a range of skills and should provide workers with the authority to use their judgment and make decisions. Jobs should be created in a manner that facilitates interaction and communication among workers and that is integrated with continuing education and training programs. Jobs should be structured to give employees the opportunity to improve and advance. This is especially important for women who are more likely to hold low-wage jobs with little opportunity for advancement.

MANDATED EMPLOYER CONTRIBUTIONS FOR WORKER TRAINING

THE ISSUE

Sufficient federal funding for employment and training programs will not be possible without a major re-structuring of federal budget priorities. The approximately 6.9 billion combined dollars for funding of JTPA, Perkins, JOBS and Older Americans Act currently available only reaches a small fraction of the population eligible and in need of these services. Even with an immediate, massive infusion of new dollars into the federal employment and training system, other methods of generating funds for worker training must be established.

One of the proposals put forth for supplementing federal training dollars is mandated employer contributions requiring business and industry to invest in retraining the American workforce. Employers would be assessed a percentage of the total wages paid in a calendar year.

If such a pool of training dollars is created, it must include a number of provisions to ensure gender and racial equity in the administration and implementation at the state and local levels. The track record of employers and the current training system indicates that without specific equity provisions, the occupational and training segregation that has resulted in high poverty rates for women and people of color will only be perpetuated by an employer-paid training trust fund.

THE SOLUTIONS

✓ **All employers should be required to contribute to the fund, regardless of other expenditures for worker training.**

Waivers for contributing should be allowed where there is a contractually agreed upon training fund, and otherwise in only the most exceptional of cases. Employers should not be able to piece together isolated training circumstances to show that they are already spending the required percentage of payroll for worker training. Moreover, training expenses should be defined narrowly enough to exclude executive "perks" (such as resort-style retreats and entertainment) that often constitute the bulk of executive training expenditures.

✓ **Reimbursement for the workers' dependent care and transportation costs associated with participating in training not during regular work hours and off-site must be a required use of funds.**

Most women workers with dependent children or adult relatives already spend a disproportionate amount of their wages towards day care. "After-hours" care is almost non-existent in most communities and workers must seek assistance from other family members, neighbors and friends for isolated situations. Dependent care will be a significant barrier to many women participating in on-going or short-term employer-sponsored training that is not conducted during the regular work day. Without some reimbursement for these expenses, the training programs will be dominated by men who are not responsible for making dependent care arrangements. Likewise, low-wage workers in general will find it difficult to pay for transportation costs to attend training that does not take place at the work site and thus will be less likely to participate in employer-sponsored training programs. These costs must be reimbursed as well.

✓ **State and local-appointed bodies to administer the trust fund must be required to reflect the gender, racial, ethnic and service diversity of the state.**

It is essential that the administering body of the state include full representation of women, people of color and community-based organizations. An important cause of the failure of the current job training system to adequately serve women and people of color is the lack of decision-making responsibility accessible to them in many states and communities. In addition, many women and people of color are more likely to seek services from community-based organizations than from traditional education and training institutions. Because of their important role in the employment and training system, community-based organizations must be represented among those administering the trust fund. *Community-based organizations must also be among those eligible to apply for grants from the trust fund.*

✓ **Each state must establish and monitor statewide standards for achieving gender and racial equity in trust fund-supported services.**

Without statewide standards for achieving and maintaining gender and racial equity, there is the danger that those who have traditionally benefitted from employer and labor sponsored training and apprenticeship programs will also be the primary benefactors of newly created programs. This historical exclusion of women and people of color has contributed to their disproportionate numbers among low wage workers and the working poor.

✓ **Each application for funding must include a plan for assuring gender and racial equity among those receiving services.**

Potential grant recipients must detail how the services funded will be distributed equitably along gender and racial lines among the existing workforce or newly recruited trainees. Proposals for continued funding must detail the grantees effectiveness in achieving gender and racial diversity in the training program.

✓ **Each application for funding must include a plan for assessing and meeting the supportive services (dependent care, transportation) needs of workers participating in training.**

Without such an assurance, the number of women and low-wage workers able to participate in after-hours training will be severely decreased.

✓ **Priority consideration should be given to applications that propose training and education of women workers for nontraditional jobs within the business or industry.**

Every government-funded or government-initiated program must promote and expand training women to move from low-wage, gender-segregated jobs to those that pay higher wages and are currently dominated by male workers.

✓ **Priority consideration should be given applications that propose training for unskilled and low-wage workers.**

Unskilled and low-wage workers, the majority of whom are women and people of color, have the least resources to seek and pay for their own training and retraining. Strict guidelines that disallow the use of the majority of these funds for training of managers is critical. Employers should not be permitted to take advantage of training-related tax incentives for employee business education expenses, unless training is distributed equitably among top and bottom earning tiers of employees.

APPRENTICESHIP

The Issue

Apprenticeships ought to be an important vehicle for matching women and girls with the training needed for skilled employment. Many apprenticeships lead those being trained to high-wage, skilled occupations with built-in career ladders designed to increase pay and responsibility as skills increase. Yet, the current apprenticeship system serves only a fraction of the women and girls who would be interested in these training opportunities. Moreover, apprenticeships exist in a very small number of the career areas in which workers might profit from apprenticeship training. While there are 800 apprenticeable trades recognized by the Department of Labor, apprenticeships are concentrated in only 20 trade areas, in fields largely dominated by male workers.

In 1990, women held only 7.1% of the nation's registered apprenticeships, although the Bureau of Apprenticeship and Training (BAT) has had goals to increase the participation of women in apprenticeships since the late 1970s. Moreover, while BAT made documentable progress between the mid-1970s and 1983 on improving the number of women in apprenticeships, very little progress has been made since that time. Participation rates fall far short of the Department's goal of having women fill at least 23% of apprenticeships. Moreover, almost two-thirds of women in apprenticeships (63%) are concentrated in the occupations with the lowest earnings among apprenticeable trades. In two occupations, cosmetology and computer operation, women are the majority of apprentices.

Youth-oriented apprenticeship initiatives must assure that young women are targeted equitably. In apprenticeship programs where there are adult entrants, women must be recruited and admitted.

The Solutions

✓ **Strategies to increase women's participation in apprenticeship programs should be institutionalized by the Department of Labor.**

The Secretary of Labor should target at least 5% of appropriated BAT funds over the next five years to develop a full-scale outreach and technical assistance effort-- with joint planning by BAT and the Women's Bureau of the Department of Labor-- to assist registered apprenticeship programs with less than a 10% participation rate of women. Each program --

and the BAT itself -- should set yearly goals for improving the participation of women in those apprenticeship programs and should report yearly on their actual progress in meeting these goals. Regional staff should be authorized and trained to develop corrective action plans -- accompanied by technical assistance -- should registered programs not meet their goals. Materials should be developed for the apprenticeship system on overcoming the barriers to recruiting, retaining, and successfully supporting women and girls in these programs. Clear guidelines for federal certification should be developed so that no new apprenticeship programs are certified until they have demonstrated good faith effort to recruit and sustain women in their programs.

✓ **The Department of Labor should recognize and strengthen the link between the enforcement of its affirmative action goals and the preparation of trained workers through the apprenticeship system. Coordinating the approaches of the Office of Federal Contract Compliance(OFCCP) and BAT through work on major contract sites would create jobs for women and stimulate BAT recruitment efforts.**

The Office of Federal Contract Compliance and the Bureau of Apprenticeship and Training should work vigorously together to enforce the goals for women set by registered apprenticeship programs, including actively monitoring major federal projects, developing and monitoring corrective action plans, providing technical assistance to solve the problems, and -- if a good faith effort is not demonstrated -- decertifying apprenticeship programs and barring contractors.

A staff role -- mirroring the role of the Sex Equity Coordinator in Vocational Education -- should be developed to work with both OFCCP and BAT to strengthen the links, actively develop and provide technical assistance, review compliance on major federal projects, and to work on the development of effective plans. This role could be in place in the federal Department of Labor and at the Regional offices to assist in achieving a stronger participation of women in each of the programs.

✓ **More resources should be devoted to expand the scope and reacb of apprenticeships to include more adults and to develop apprenticeship programs for occupational areas such as health, environment, and computer technologies, where growth is expected in the job market and where systematic skills development and career ladders can be put in place.**

The Office of Work Based Learning which is focusing much of its effort on the school to work transition and apprenticeship development for young people should be given resources to work more deliberately on apprenticeship opportunities for adults, including older workers. The Office should develop a special program to explore new technologies and high-demand career areas -- both traditional and non-traditional for women.

✓ **Support services must be provided to women in apprenticeship programs.**

BAT should establish a support services fund and information and referral system for dependent care and other support services for apprenticeship programs. The program should be established to support registered apprenticeship programs as an aid to the recruitment and retention of women in the programs. A portion of this fund should be targeted to pilot innovative dependent care arrangements for those workers whose trades operate using other than business hour shifts or include frequent changes of work site.

✓ **The Department of Labor must insist that its registered apprenticeship programs create environments which are not hostile to women workers.**

Apprenticeship sponsors should be required to put in place systematic policies to address sexual harassment and to annually organize training programs for instructors, on-the-job supervisors, and co-workers on preventing and addressing sexual harassment in the workplace and in apprenticeship training.

✓ **Fund the Women in Apprenticeships and Non-traditional Occupations Act.**

The *Women in Apprenticeship and Non-traditional Occupations Act*, most recently passed by Congress, but yet to be funded, provides technical assistance to employers and unions to assist them in successfully receiving women in apprenticeships and non-traditional jobs in the workplace. This program should receive full funding ($1 million) for FY1994.

WELFARE-TO-WORK

THE ISSUE

Comprehensive welfare-to-work programs are an essential component of job training policy. However, these programs only serve a very small percentage of the women who need job training and therefore should not be the focus of services targeted to women.

The goal that should underlie all education and training programs for welfare recipients under the current welfare system (primarily Aid to Families with Dependent Children, or AFDC) is assisting recipients to achieve long term economic self-sufficiency rather than removing them from public assistance. Only comprehensive services based on the principles of this document can achieve this goal.

A critical part of any job training initiative for welfare recipients must be a careful review of the existing programs, primarily the Job Opportunities and Basic Skills (JOBS) program of the *Family Support Act (FSA) of 1988*. There are a number of elements of the FSA that are commendable and should be emphasized in any modifications to FSA or any other welfare-to-work programs.

THE SOLUTIONS

✓ **JOBS should be adequately funded.**

The positive goals in the JOBS program have not had a chance to be fully realized in large part because the program has been grossly under-funded. Without adequate funding welfare recipients cannot receive the full range of basic and academic skills, pre-vocational services, career and personal counseling and support services (including transition support services), needed to achieve long term economic self-sufficiency.

✓ **Welfare-to-work programs should support and encourage higher education and training for skilled jobs.**

The emphasis in welfare-to-work policies should be on education and training, rather than on job search, workfare, or other approaches that will not necessarily lead to good jobs. This is reflected in some provisions of the *Family Support Act*. Too often higher education is overlooked as an option for low-income women, even though many have fulfilled the prerequisites for entering two or four-year programs. Too many training programs are gearing women towards low-paying and often traditionally female jobs. Training programs must be geared towards getting women into skilled jobs that offer living wages and benefits and that offer opportunity for advancement. Programs should also be geared towards helping the hard-to-employ, such as those with few skills and little work experience.

✓ **Current higher education laws mandating the disregard of student financial aid when determining need for other federal public assistance programs should be strictly monitored and implemented.**

Low-income individuals who are attending school and have received federal student financial aid should not be penalized by having other public assistance benefits reduced or eliminated. The 1992 Higher Education Act Amendments clarify and strengthen the *Disregard of Student Aid in Other Federal Programs* provision, which states that federal student financial aid should not be taken into account when determining the need or eligibility of any person for benefits or assistance, or the amount of such benefits or assistance, under any Federal, State, or local program financed in whole or in part with Federal funds. This law has not been consistently enforced. Despite the fact that this law has been in effect since the 1986 Higher Education Act Amendments, many state and local social service agencies will reduce AFDC, food stamps benefits, or housing subsidies when a client receives a Pell Grant. The individual often is then forced to discontinue her education in order to provide food or shelter for her family. To prevent these reductions from continuing, this law must be explicitly implemented at the federal, state, and local levels, and throughout all public assistance programs.

✓ **Under the current AFDC system, benefits must not be cut any further.**

The average AFDC benefit level has fallen 42% in real terms in the last twenty years. The maximum benefit in the median state is now less than 40% of the federal poverty line. Additional cuts will only hurt low-income families with children, already suffering from the current recession, even more, and will make it more difficult for recipients to participate in education and training programs. At the federal level, AFDC benefits should be indexed for inflation, so that welfare recipients do not fall even further below the poverty line over time. Additionally, a national minimum benefit level should be set at the federal level to reduce the great inequities between state-by-state benefit levels.

✓ **Arbitrary time limits on the receipt of welfare are unacceptable.**

Individuals generally are on public assistance because they are unable to find adequate employment, lack access to needed services or training, or have other personal or family problems that keep them out of the job market. Simply forcing people off the welfare rolls after two years without addressing any of these underlying problems will not move families out of poverty; instead, it may move families into the streets. Any time limits on AFDC must be linked to education, training, services and guaranteed jobs if necessary.

✓ **Punitive approaches to welfare reform are unacceptable.**

Using monetary incentives that are meant to induce behavioral changes that are not related to employment prospects is not acceptable. Many welfare reform proposals contain provisions that cut benefits to welfare recipients who do not engage in into "proper" behaviors. These are based on myths and incorrect assumptions about welfare recipients and indicate a serious lack of understanding of the limited options available to women living in poverty. These proposals, such as Learnfare, migration restrictions, family cap provisions, sterilization incentives, and others, do nothing to help women out of poverty and should be strongly opposed as a component of any training program. At the federal level, waivers for state proposals should be allowed only if no individual recipient would be worse off as a result. State initiatives to encourage economic self-sufficiency through added services, benefits and training should be encouraged.

✓ **Welfare programs are not human laboratories.**

Welfare programs were established to provide income support and assistance to low-income women and children. They should not be used to conduct experiments on people's behavioral response to deprivation. Many of the recent behavioral welfare proposals are based on the idea that different incentives may affect recipients' behavior and we should try them out, even if there is no evidence that these experiments will work. Experiments on human subjects without voluntary, informed consent; without a control group or appropriate experimental design; and without viable underlying hypotheses are forbidden by all ethical standards of social science. They should not be allowed in our welfare system either, especially when the consequences to low-income women and children could be devastating. There is no need to experiment on welfare recipients, what works in getting people out of poverty: adequate education, training and other related services, child care and health insurance, and high-wage job opportunities.

COORDINATION VS. CONSOLIDATION

THE ISSUE

Increased coordination among the many diverse federal employment and training programs is desirable. The primary purpose of all coordination efforts should be to make it as easy as possible for participants to gain access to the full range of services for which they are eligible. In developing coordination strategies, special care must be taken to avoid *consolidating* and thus reducing the effectiveness of programs and services that address special or unique needs of women or other disadvantaged groups.

Opportunities for coordination occur at three points in the employment and training system, beginning with governance and moving through planning and service delivery. The 1992 JTPA reform amendments attempted to address coordination at all three points by giving states the option of establishing Human Resource Investment Councils (HRICs) to replace their State Job Training Coordinating Councils (SJTCCs) and encouraging the involvement of more federally funded programs in local planning and service delivery. Several states have already begun moving toward establishing HRICs. It is already apparent that some coordination strategies can be detrimental to women's access to and success in these programs.

THE SOLUTIONS

✓ **Women must have an equitable role as decision makers in design, administration, implementation and monitoring at all levels of the system.**

SJTCCs, HRICs, Private Industry Councils (PICs) and their staffs, and service delivery agencies must have equitable numbers of women in decision-making roles so that women's unique employment and training needs will be recognized and addressed. Included among these women should be both experts in women's employment and training issues, and actual recipients of the services. Systems serving primarily women, such as child care and domestic violence shelters must also be represented, for purposes of both coordinating services and educating the other administrators about the importance of these issues and services for female participants. In addition, EEOC and OFCCP representatives should be mandated members of these decision-making bodies.

If a HRIC is in place, in which administrative representatives from many federally funded programs are members of one large council making policy for all the affected programs, representation of women and other disadvantaged groups is especially important. Administrators who are specifically charged with improving access for one or more populations, such as the Sex Equity Coordinators under the Perkins Act, must have a pivotal role on any HRIC.

In addition, it is important that there be active representation and participation by all essential service delivery systems working with low-income populations, including housing, food stamps, AFDC, general assistance, and medicaid.

✓ **Whenever one federal program has developed an initiative that increases access and quality of services for women or other disadvantaged groups, coordination plans should be required to promote the success of that initiative in every way possible.**

Whenever a single federal program has established special initiatives designed to improve services or access for women or other disadvantaged groups, the coordination plan should endeavor to expand the special initiative to all programs involved in the coordination plan. At minimum, the coordination plan must allow the initiative to continue within the program in which it began.

Examples of such initiatives include the *Nontraditional Employment for Women Act* (NEW) which requires the JTPA system to train and place women in nontraditional jobs. This requirement has the potential to greatly increase women's access to higher-wage jobs. Another example is the Perkins Vocational and Applied Technology Education Act's requirement that a percentage of the basic state grant be devoted to serving displaced homemakers, single parents and single pregnant women.

In some states, initial attempts at coordination have centered on identifying the lowest common denominator -- the requirements common to all programs -- and then providing waivers for all other program requirements, resulting in the elimination of crucial special services for women. Such an approach is counterproductive and should be prohibited.

✓ **Efforts aimed at coordinating education and employment and training services for low-income women should include *all* government services available to that population, including AFDC, housing, food stamps, general assistance, etc.**

Some of the greatest barriers to successful participation in education and training for low-income women lie in the instability of their day-to-day lives. A woman whose housing is inadequate or insecure, who fears losing medical assistance for her children, or who can't feed her family on the assistance she receives will be unable to participate in training until those fundamental issues are addressed. Navigating the maze of public assistance programs and services can be far more difficult than understanding the employment and training system. Therefore, it is essential that all these systems be part of a coordinated approach to helping poor women achieve economic self-sufficiency.

It is important to note that the complexity of these systems makes them difficult for case managers to navigate as well. Moreover, employment counseling requires specialized knowledge that welfare case workers do not have, and vice versa. Therefore, a coordination plan should make use of case management teams, composed of a welfare case manager and an education/training case manager who can together assist women to gain access to the full range of services needed to achieve economic self-sufficiency.

✓ **Efforts at coordination should not result in "source of last resort" policies.**

Lack of resources is a serious barrier to coordination. Too often, local coordination plans reflect each administrative entity's desire to protect its resources, rather than coordinate with other administrative entities to create a resource package that will provide the greatest benefit to the client. A common example of this in current practice are local policies, held by each administrative entity, declaring that the entity's funds are to be used for a particular purpose (such as child care and transportation) only when all other sources of funds for that service have been exhausted. The result of this practice is that women are denied access to needed support services, and thus to education and training.

An important objective of coordination is to assure that a client has easy access to the full complement of services she needs in order to achieve economic self-sufficiency. It must be acknowledged by the administrative entities involved that this may result in fewer clients being served, because those who are served will be receiving services they would not have had access to under a less coordinated system. Unless this fact is acknowledged, administrative entities will continue to try to evade financial responsibility for providing services the client needs.

RCED

ru

WR-JOBS

THE WHITE HOUSE

WASHINGTON

September 22, 1993

MEMORANDUM FOR THE ECONOMY AND JOBS WORKING GROUP

FROM: NICOL LINDSAY

SUBJECT: DRAFT OPTIONS MEMO

Please submit written comments by COB on Thursday, September 30.

September 19, 1993
Economy and Jobs Issue Group
DRAFT OPTIONS MEMO FOR ECONOMY AND JOBS ISSUE GROUP

Executive Overview: How can we increase reliance on private sector work rather than welfare to support children?

I. Labor Market Findings.

(Presented in brief with background papers in appendices.)

A. **Jobs:** Employment is plentiful, low paying and short-lived.
B. **Employees:** Welfare recipients fall into three groups by employability--those who work, those who can work, and those who are unable to work.
C. **Job Creation:** We don't know how to implement employer incentives.
D. **Training:** Training has moderate, but measurable effects.
E. **Fertility and Marriage:** Dependency on welfare instead of work is highly correlated with early and unmarried childbirth.
F. **Maximum Return on Investment:** We don't know where to intervene in cycle: children, youth or adults?

II. Consensus Proposal: Convert AFDC to a REEMPLOYMENT system instead of an employment substitute.

A. Family Re-employment System Overview.

1) Get the parents who are not expected to work out of the program.

2) Get the parents who already work out of the program.

3) Create a highly structured, two-year re-employment program for the remaining parents on AFDC.

4) For parents who do not meet structured expectations or who become pregnant, personal choices should be significantly narrowed but remain job-focused.

5) For parents who reach the time-limit, there will be temporary jobs.

6) What happens after parents reach the time-limit and finish their temporary job opportunity was a point of contention within the group.

B. National Investments in a Family Re-employment System.

1) Earned Income Supplements:
   (i) Earned Income Tax Credit Expansion.
   (ii) Unemployment Insurance for Low Income Families
   (iii) Healthcare Reform.
   (iv) Improvements in Paternity and Child Support Enforcement.

2) National Opportunity Initiatives:
   (i) Improve current education, employment and training portfolio.
   (ii) Create structured two-year system with a drop-out program.
   (iii) Create public-private jobs consortia.
   (iv) Raise asset limits for means tested assistance.
   (v) Teach banking, budgeting and saving skills.
   (vi) Increase access to networks of employment & education opportunity.
   (vii) Initiate a national campaign to explain the new social compact.

3) Demonstration and Evaluation of Additional Investment Choices:
   (i) Job creation and employment incentives.
   (ii) Savings and empowerment strategies.
   (iii) Improving access to good-job networks.
   (iv) Team-based approaches.
   (v) Incentives for social workers.

III. Differing views: Basic Support for Children

Framework for options: As a yardstick for policy goals, we recommend creating an objective, state-by-state measure of the cost of supporting a child. Welfare Reform ought to introduce a new compact explaining which portion of basic child support is the public responsibility and for how long.

Option 1: Pay less than the full support cost after two years.
Option 2: Pay the full support level, but only intermittently.
Option 3: Pay the full amount indefinitely, but require work.
Option 4: Allow consolidation of means-tested funding before and after time-limit.
Option 5: Allow states to apply for Options 1, 2, 3, or 4 and receive approval for an implementation plan.

IV. Appendices

A. Background Papers

B. Options Presented to the Group

I. Findings in Brief

The following findings are highlights from the background papers produced by the Economy and Jobs Issue group. Please refer to the background papers in the appendices for more detailed research and analysis.

a) EMPLOYMENT IS PLENTIFUL, LOW PAYING, AND SHORT-LIVED.

The sort of women currently dependent on welfare have a reasonably good chance of finding employment over the next ten years. The Bureau of Labor Statistics projects the creation of 24.6 million new jobs between 1990 and 2005. Some of the largest job growth projections are in occupations that tend to hire women and minorities. In addition to new jobs, old jobs will open up due to workforce attrition. In 1991, 5.8 million women found jobs who were not working one year earlier. When job changers are added to job finders, the number of new job openings is even larger: approximately 15 million women found or changed jobs in 1991. Not only will there be numerous openings, but less expansion of the labor force is projected over the next decade relative to our experience over the last few decades. Labor force expansion in the last decade has included entry of one million women and one million immigrants on average each year. In the next decade, average annual labor force expansion is expected to decline by about 500,000 to a million people. Thus, adding one to three million welfare recipients to the labor force over the next five years is not an unprecedented change.

• **Conclusion #1:** No woman could claim to be job ready, willing to work, but unable to find a job for 5 or 10 years continuously. Long-term welfare receipt is not an overall unemployment problem. Jobs requiring low-skill labor are generally available.

However, these jobs are likely to be low-paying and short-lived. A recent study by the Institute of Women's Policy Research[1] found that over a two-year period, women who mixed welfare and work held an average of 1.7 jobs at an average hourly pay rate of $4.39 (in 1990 dollars). Their longest jobs lasted 46 weeks on average. They spent an average of 16 weeks on layoff or looking for work during a two-year period. Only 11% receive unemployment insurance, which 50% exhaust. Unemployment rates for single women who maintain families averaged 10.4% between 1980 and 1987; for women in poverty the rate is likely to be higher.[2]

• **Conclusion #2:** Although parents of welfare-dependent children (especially mothers) can get jobs, these jobs will have low pay. Without the EITC, healthcare and possibly an increase in minimum wages, the prospect of finding a job which will support

---

[1] Spalter-Roth, Roberta and Beverly Burr. *Supporting Work: The Relationship Between Employment Opportunities and Financial and Other Support Programs* (testimony presented at the public forum of the Working Group on Welfare Reform, Family Support and Independence). Institute for Women's Policy Research, August 19, 1993.

[2] Statistical Abstract of the United States, 1992. Note that 10% unemployment in the general population would trigger extended benefits up to 40 or 50 weeks.

children is much bleaker.

• **Conclusion #3:** High turnover in the jobs available to women points to a piece of the welfare reform effort that is missing: we need a form of unemployment insurance for impoverished parents which will reduce the risks of working. So far, no serious work has been undertaken to propose extending the UI system for parents or reforming the AFDC system to provide brief periods of support based on work history.

• **Conclusion #4:** For the men who might marry these women or pay child support, prospects are also mixed. Over the last thirty years black male joblessness has been roughly double the level of white male joblessness and varied more with the business cycle.[3] Blue collar jobs with good pay which had previously been available to men without a college education are rapidly shrinking due to productivity improvements, global competition, and the use of technology with higher skill requirements. Low-skill men will therefore have to compete with women for service and administrative jobs and have to upgrade their skills significantly. A welfare policy which relies on support for children through child support payments must address the issue that many fathers also face the turbulence of low-paying, short-term jobs.

b) WELFARE RECIPIENTS FALL INTO THREE GROUPS BY EMPLOYABILITY.

From the perspective of private sector work, there are three types of welfare recipients: Those who society does not expect to work; those who already work; and those who may be able to work, but do not. Although estimates vary considerably regarding the size of these three groups, the rough average lies at about one third in each group. Let's examine some estimates regarding the size of these groups.

How many welfare cases do not involve adults that could be expected to take private sector jobs? For the 10% of cases in which there is no adult in the household, it seems unlikely that employment assistance is appropriate. A physical disability or the need to care for a disabled household member are also obvious limitations on work capacity. Estimates range from one in nine[4] welfare households to one in three[5] welfare households having a disabled head of household or member. The presence of a disabled head of household or other disabled members does not necessarily preclude work or training participation for the head of the household. A first child under age three might also be considered a legitimate work or training exemption. If so, 51% of the incoming population may have a child under age three with a high proportion of these being first children. Substance abuse problems which impair work and may require long term or permanent treatment are most likely to involve alcohol. Among welfare mothers 12% report three or more alcohol related problems

---

[3] Handbook of Labor Statistics, 1989.

[4] Child trends estimates using CPS data.

[5] Adler (1993) using self-reported data. -- (get complete ref from Steve Bartolomei-Hill)

such as loss of memory or missed work.[6] Another recent study found that 9.1% of welfare mothers report binge alcohol use.[7] Learning disabilities which affect 25 to 40% of adults on AFDC,[8] may or may not be an acceptable reason for a work exemption. Even under the most stringent work requirement, about one third of AFDC household heads would probably be exempt.

How many welfare recipients already work on a regular basis? A recent study by the Institute of Women's Policy Research[9] found that over a two-year period 39% of the women who used welfare also worked approximately 2,000 hours. The percentage of women on welfare at any one time who work 1,000 hours per year would be considerably smaller. However, a number of additional women also undertake unreported work. A small confidential study in Chicago found that more than half of the 50 mothers interviewed supplemented their incomes with unreported and sometimes illicit earnings.[10] It may not be unreasonable to assume that 25 to 30% of the welfare caseload could go to work in legal jobs if they had a full work support system: earned income tax credits, unemployment insurance, health care, child care tax credits, and child support payments.

After eliminating those who work and those who are exempt from work, who is left on welfare? One-third of the welfare caseload may be physically able to work, but has a tendency toward long term dependency on welfare. The work experiences of other welfare recipients are not likely to be indicative of the employment possibilities for the two million mothers who tend to stay on welfare continuously for five or ten years. Chronically welfare dependent mothers are more likely to be high school dropouts with very low scores on tests of basic skills.[11] Though the jobs welfare mothers tend to get are low paying and insecure, as many as half of the mothers on welfare may be significantly underqualified for similar jobs. Welfare-dependent mothers are less likely to have job experience and more likely to

---

[6] Child Trends.

[7] National Institute on Drug Abuse in Cooperation with the Assistant Secretary for Planning and Evaluation at the Department of Health and Human Services.

[8] 1990 Department of Labor Research and Evaluation Report.

[9] Spalter-Roth, Roberta and Beverly Burr. *Supporting Work: The Relationship Between Employment Opportunities and Financial and Other Support Programs* (testimony presented at the public forum of the Working Group on Welfare Reform, Family Support and Independence). Institute for Women's Policy Research, August 19, 1993.

[10] Kathryn Edin in Christopher Jencks, *Rethinking Social Policy: Race, Poverty and the Underclass* (1992). Harvard University Press.

[11] See David Ellwood's tables on youth AFDC cyclers and stayers and Institute of Women's Policy Research reports on welfare and work: cyclers, combiners and dependents.

face discrimination in the labor market.[12] This group is likely to include those who need a little extra help and encouragement as well as those who have intensive emotional, disciplinary or social problems.

c) WE DON'T KNOW HOW TO IMPLEMENT EMPLOYER INCENTIVES TO CREATE NEW JOBS. Economic theory suggests that incentives paid to employers to hire welfare recipients are unlikely to create job opportunities.[13] American experience confirms the theory and demonstrates little success with employer incentives. Lerman[14] notes that under both the WIN program and the TJTC, only a small fraction of the employers claimed credits for which they were eligible. Burtless[15] conducted an experiment with employer vouchers for hiring disadvantaged workers. Members of the control group who had no voucher payment to offer had more success in obtaining employment. Employers did not want to hire workers marked as "damaged goods" despite generous voucher payments, some of which could be redeemed as cash instead of tax credits. In addition to the stigma explanation, Bishop and Kang[16] explain the low employer participation rates in incentive programs by the high level of administrative costs for processing the incentives. The stigma and administrative costs must be potent disincentives to offset subsidies that rose as high as 50 percent of the first $6,000 in wages for AFDC recipients. However, attitudes in the business community may have changed since the 70's so that many more employers would want to help AFDC moms and would value the payroll subsidy. More importantly, the research indicates that subsidies paid to employees (such as the EITC) would be more successful.

d) TRAINING HAS MODERATE, BUT MEASURABLE EFFECTS. Although low skills are a severe problem, training programs are not a quick fix for welfare dependency.

Inexpensive programs ($100-1500 per person) provide short-term job search assistance, remedial education, vocational education or work experience. Despite variations in

---

[12] Institute of Women's Policy Research. Testimony cited above.

[13] Johnson, George. "Allocative and Distributional Effects," in Robert Havemen and John Palmer, *Jobs for Disadvantaged Workers: The Economics of Employment Subsidies*, The Brookings Institution: Washington, D.C., 1982.

[14] Lerman, Robert. "A Comparison of Employer and Worker Wage Susidies" in Robert Haveman and John Palmer, *Jobs for Disadvantaged Workers: The Economics of Employment Subsidies*, The Brookings Institution: Washington, D.C., 1982.

[15] Burtless, Gary. "Are Targeted Wage Subsidies Harmful? Evidence from a Wage Voucher Experiment." *Industrial and Labor Relations Review*, Volume 39, Number 1, October 1985, pp. 105-114.

[16] 1991 ***************

economic conditions and program design, the majority of the evaluations show some improvement in earnings, employment, and welfare exits in comparison to a control group.[17] However, even the most successful programs only raised employment levels from 24 percent in the control group to 35 percent in the training group. Thus, the training program only changed the outcome for about 10 percent of the group. While this improvement is worth achieving, it does not help the two-thirds of the group who would not get a job on their own or with the help of a training program. Additional caveats: 1) Exit rates from welfare tend to improve even less than employment rates. 2) The control group in the San Diego SWIM study caught up with the trained group by the fifth year after training.[18] 3) Neither the most job ready nor the least job ready benefit from inexpensive training as much as the middle group: the most job ready will find jobs anyway, and the least job ready do not tend to get jobs after a quick program.[19]

More expensive, targeted training programs, such as the home health care aide demonstration, can cost from $4,300 to $8,700 per participant. Although this intensive training did not significantly impact rates of employment, it created large boosts in earnings for those employed. Participants in the Home Health Care training increased their earnings by $1,200 or $2,600 per year.[20] In contrast, inexpensive job search or work experience programs tend to raise earnings on average by $400 or less.[21] Intensive programs may be able to increase actual wage levels, while inexpensive programs simply increase hours worked.

Thus, even if we could afford to put every person on welfare through a quick or an intensive training program, two thirds of the eligible participants could end up unemployed at the end of the program. On the other hand, the historical training data may not be applicable in a truly time-limited system or a system with serious performance requirements. Education and training may have a much larger impact on employability in a time-limited system because participants and administrators would try harder; and employers might be more willing to participate in hiring and training more highly motivated, entry-level workers.

e) SUPPORT THROUGH WORK IS INVERSELY RELATED TO EARLY AND UNMARRIED CHILDBIRTHS. Marital status of mothers at the first time of welfare receipt is one the best indicators of long term dependency. This should not be surprising since it is harder to pay for food, shelter, and daycare with one salary than two. Even if one parent does not work, he or she can contribute to family income by eliminating the cost of day care. The need for two earners is compounded by the fact that women tend to earn less than men:

---

[17] Friedlander and Hamilton. Gueron.

[18] Friedlander and Hamilton.

[19] Gueron and Pauley.

[20] Bell and Orr

[21] Gueron and Pauley.

$10,462 compared to $27,983 in 1988.[22] Two earners in a low-income family also can reduce the fluctuation in income caused by bouts of unemployment. It is an obvious but often forgotten conclusion that a child with support from two parents has more resources than a child with support from only one or the other.

Early childbearing also is highly correlated with a tendency toward long term welfare dependency. Among women who are age 25 or older at the birth of their first child, only 4% rely on welfare for more than a third of the child's first five years. The comparable statistic for welfare dependency among women 15 or younger at first birth is 47%. Even among 18 and 19 year olds, 26% will be welfare dependent for over a third of the first five years.[23] As a result of dependency created by teen child bearing, over half the total costs of AFDC go to cases in which the women entered AFDC as a teen parent.[24]

f) WE DON'T KNOW WHERE IN THE CYCLE OR HOW MUCH INTERVENTION IS APPROPRIATE. Only in the last decade or two have we begun to measure rigorously the results from our adult training programs and our early intervention programs such as head start. Although we have estimates on the returns to each of these programs, we do not have a way to compare the relative marginal investment returns. Is an extra dollar better spent in head start, high school or adult education? In the absence of a marginal investment theory, we are turning toward programs that help adults and children at the same time, such as parenting programs, WIC, family literacy classes, and head start.

II. Consensus Proposal

- Convert AFDC into a Re-employment system instead of an employment substitute.

Introductory background: The friction emanating from welfare reform is the result of new values in society relentlessly hammering away at the old values embodied in the program for Aid to Families with Dependent Children. Society has changed; AFDC has not yet caught up. The majority of mothers have shifted from not working in the 1950s to working in the 1990s. Acceptance of divorce and births to unwed mothers has expanded, dramatically

---

[22] David Ellwood.

[23] Kristin Moore, (1993) Child Trends Analysis based on NLSY 1979-1988 data. Total sample with a birth in 1979 cohort (weighted percentages).

[24] Moore, Kristin A. and Martha K. Burt, *Private Crisis, Public Cost: Policy Perspectives on Teenage Childbearing*, The Urban Institute, Washington D.C.

Quint, Janet C., Denise Polit, and Cynthia Guy, *New Chance: Laying the Groundwork for a New Demonstration to Build Human Capital among Low Income Young Mothers*, MDRC, NY, NY November 1986. et.al.

increasing the incidence of single parent households in all income and race categories. The public generally believes (rightly or wrongly) that women can decide whether or not to have a child because of the pill, Roe v. Wade, sex education, and the general openness of attitudes on sex. Together these major shifts in public attitudes have evaporated the feeling of commitment to a lifetime of support for single mothers at the public expense.

Welfare creates a dissonance with our current values: If a woman does not avail herself of abstinence, birth control, abortion, marriage, or adoption, why should society be obligated to support her and her children for 20 or even 40 years? If women want equal rights in the workplace, why should they have an unequal right to permanently opt out? Why should the fathers of these children also be able to turn their obligations to support their progeny over to the public? If the public does not support the children of lazy parents, why should children suffer?

This paper addresses these questions from the perspective of private sector employment. Our central recommendation is that AFDC should become a re-employment system in order to bring it in line with generally accepted values and Administration policy. If re-employment is the accepted goal, many policy decisions naturally follow. For example, a re-employment program should not include people who work, people who cannot work, or people who refuse to work. Section A outlines how AFDC could be converted into a re-employment system.

Section B outlines the re-employment system building blocks in programmatic terms. The top two tiers of investment proposals are the low risk core. In addition, a third tier of possible investments is offered. These third tier proposals are riskier and unproven but could be tried to determine whether they improve the re-employment system. An overall investment strategy and close monitoring of the experience with these elements should result in a system which continuously learns and improves.

A. <u>Family Re-employment System Overview.</u>

1) Get the people who are not expected to work out of the program.

AFDC used to include only people who were not expected to work: mothers. Now that mothers are expected to work, the mixture of disabled and job-ready parents fuels public hostility toward the program. A first step toward turning the program into a re-employment system is clearly defining who the general public is willing to support indefinitely. This may cover: physical disability, caring for a disabled relative, first child under 3, substance abuse recovery, mental health problems, etc. It does <u>not</u> include every single parent with a child under 18.

Once the criteria are clearly defined for those people who may work but are not expected to do so, get these people out of the welfare (AFDC) system. Here are a few possible alternatives for supporting the children of parents who are thereby deemed unable to work:

- <u>Expand SSI</u> (Disability income) to cover dependent children.

- Redirect AFDC entitlement streams of income over to the Social Security Administration for this group of people without changing the payout levels or eligibility rules.

- Change the name from AFDC to "Dependents of the Disabled Income" or "Child Support Replacement."

However it is accomplished, people who are not expected to work should be clearly separated from the rest of the program. By separating them from the welfare population, their claim for support will become more legitimate in the public view. Their needs will be identified with war veterans, the handicapped and the elderly--groups who have programs with strong public support. Continuing to pay them an AFDC benefits check under the reformed welfare system while exempting them indefinitely from work and training requirements doesn't look right to the general public. Mixing the able and disabled cases undermines the credibility of the program which supports people who are not expected to work.

2) Get the parents who already work out of the program.

As we have outlined in our findings and background papers, there are a significant number of single parents frequenting the welfare office who are ready, able and willing to work. In fact they do work. The jobs these women typically obtain have three serious drawbacks:

- Wages are so low that supporting children is difficult.
- Health care benefits are seldom available for low wage employees.
- The jobs only last about six months on average.

Administration efforts have focused more on the first two problems than the third. The earned income tax credit (EITC) will significantly raise the earnings of women who try to support children on an average of $4.39 per hour. The expanded EITC under the reconciliation budget can add as much as $1.70 per hour to their earnings. When the change is phased in fully the maximum assistance will rise approximately from $1,900 to $3,400 for a family with 2 or more children. Raising the minimum wage, which has not yet been ruled out, would be likely to increase earnings for all low-income parents who work. Universal healthcare would remove what is reputedly the largest, current disincentive to work for welfare recipients. Improving paternity establishment and child support enforcement is another way to increase income for children, despite low wages for unskilled women and men.

If the third problem--the high turnover in the low end job market--were also addressed, at least a third of the welfare population might leave the welfare system immediately. A recent study found that 39% of the women who used welfare over a two year period also worked about 2,000 hours on average either part-time or full-time. These are the women who are motivated and able to support themselves. They do not need to be policed, trained, humiliated or taught how to find a job. All they need is what men have had for decades: an Unemployment Insurance (UI) system that works.

When determining whether "Work Pays," we typically consider a full-time, minimum wage job as a benchmark. If we take into account the fact that most women cannot find a job which lasts all year, their effective minimum-wage income is much lower. "Making work pay" involves filling in the gaps as well as raising the level of earnings.

The existing unemployment insurance system doesn't meet the needs of the welfare population. Only 11% of the women who mixed welfare and work were eligible for UI. Half of those who received it exhausted their benefits without finding another job.

We should allow more low-income parents with a recent work history to have temporary income support with few strings attached--just like UI. For example, parents may be allowed to earn two weeks of income support for each month worked up to a maximum of six months. Rules could be set up which would accommodate two-parent families on the same terms as one-parent families. Low-income, child support payers may also get extra help between jobs. Part-time workers will need special consideration. Program designers for UI should cooperate with AFDC experts in order to determine the optimum work and benefit formulas. Rules could be structured to be budget neutral or even deficit reducing. Here are a few alternatives for implementing these basic principles:

- Modify the existing UI system to ease eligibility criteria and provide more generous proportions of previous earnings for poor families with children to support.

- Shift a portion of the stream of welfare entitlement funding over to the UI system to support payments based on work history and short-term unemployment. Funneling the money through the UI office would not change the cost of the income support but it would change the welfare psychology. Women might feel some pride in collecting money that was "earned" instead of getting a handout. As the UI system is transformed to a re-employment system, unemployed parents would get job counselling, job search assistance and other supports routinely provided to workers in general.

- If the existing UI system cannot accommodate this population, rename the program within the welfare system. For example, it could be called Family Unemployment Insurance (FUI) and be administered by Health and Human Services. There would be stronger public support for (and greater individual pride in) a program that offered short-term payments for parents who have recently worked and who are looking for a job.

The critical success factor for creating an Unemployment Insurance program for poor parents will be creating public recognition for hard-working parents in low-wage jobs. They can be ideologically linked up with the UI program, which has strong public support and offers temporary benefits based on recent work. Parents in this program would probably become American heroes--parents who work hard, play by the rules, and support children with little money. Who could argue that they should not have a little help feeding their children between jobs?

3) Create a highly structured, two-year re-employment system for the remaining parents in the welfare system.

Proposals one and two taken together could reduce the welfare rolls by up to two-thirds. The public would feel confident that "welfare" had then been reduced to a core population who needed either more help or more discipline. AFDC would be narrowed down to the parents who are expected to work but are not working. Parents will only end up on welfare, or AFDC, if they have fallen off the merry-go-round of low-wage jobs or if they were unable to get on it in the first place.

For the remaining third of the population that ends up on welfare, income support should be accompanied by a highly structured set of expectations relating to re-employment. Receiving welfare would be just like a job. Individuals are expected to show up on time, dress appropriately for their activity, and work for the full amount of time expected (probably 20 hours). The activity may be supervised job search, job counselling, subsidized employment, community service work experience, training, education, etc. Close supervision will be affordable and appropriate since this will be a much smaller caseload consisting of people who have exhausted their UI or who never qualified for it. Pay will be based on performance as in any job. Base pay may be linked to hours worked, with bonuses for degree completion, job finding, or perfect attendance. Individuals would have a maximum eligibility of two years in this AFDC re-employment program.

4) For parents who do not meet structured expectations or who become pregnant, options should be significantly narrowed, but remain job focused.

Not everyone will show up on time and put in their hours. This is a signal that the individual needs more help or more discipline than the structured program provided. Those who drop out of the two-year, structured program should have a much narrower range of options available to them. Here are a few alternatives:

- Return the individual to one of the other programs listed above. Intensive counselling and evaluation should be used at this point to reassess whether the individual belongs in a program for the mentally or physically disabled. If not disabled, the individual should work with the counsellor to choose the next step. The parent may opt to get a job or try the structured program again assuming the time-limit has not expired.

If the parent is not sent back to one of the programs above, a combination of individual choice and caseworker recommendation could lead to one of the following alternatives.

- Residential boot camp. At this point a heavy dose of discipline and socialization may be appropriate. Job Corps, a program currently available to few parents, has succeeded with a very difficult population by providing an intensive, residential program.

- Comprehensive family counselling and intervention. When employment assistance fails, it may be time to examine and deal with contributing factors such as physical abuse or emotional disorders. Counsellors may recommend a foster home, change of custody order, or other social services. After dealing with the social problems, the family may be able to return to one of the other programs.

- In-kind assistance only: housing, food stamps and healthcare. If the individual simply refuses to meet the responsibilities involved in the second chance program, eventually they must be let loose. The family will have to rely on friends, relatives and intermittent work for additional income. A follow-up program should make sure that the children are not suffering from the parent's inability to work. Where to set the minimal support for children was a contentious issue in our group. It is discussed in greater detail in section II under "Differing views."

5) For parents who reach the time-limit, there will be *temporary* jobs.

For parents who complete two years of structured, re-employment activities without finding a job, there will be temporary jobs available. Rather than being jobs of last resort, these jobs function as a transition into the world of work. The pool of temporary jobs will provide a buffer against short-term employment after training. Once the individual begins to work, he or she will be eligible for the new family unemployment insurance program and the earned income tax credit. A small pool of jobs should be sufficient to meet this need if the unemployment insurance program is taking up the slack for experienced workers. The pool of jobs can also function as an indication of labor market tightness. If some of the temporary jobs are unfilled, then we will know that the local labor market is not fully saturated. Welfare recipients who refuse to take a temporary job will not be offered any further cash benefits. When the pool becomes fully utilized, efforts to expand it can be undertaken as a countercyclical measure like extended benefits in the existing UI system. We see only two alternatives for making real, temporary jobs available:

- Jobs consortium. Create public/private partnerships at the local level to provide a pool of temporary jobs available to welfare recipients who have come to the end of their time-limit without finding a job. A national campaign should encourage the business community to participate in a program which is jointly administered by business and government. Responsibilities for hiring, training, and paying the new employees could be shared in creative ways designed at the local level.

- Public Sector Jobs. Create part-time, minimum wage, public service jobs which last for six months. Provide meaningful community service work filling unmet needs in government and non-profit organizations.

6) What happens after parents reach the time-limit and finish their temporary job opportunity was a point of contention within the group.

What is the bottom line for supporting children in poor homes? Policy issues involving the basic level of support for children are taken up in section II on "Differing Views."

B. National Investments in a Re-employment System.

This section explains the re-employment system outlined above in more programmatic terms.

1) **EARNED INCOME SUPPLEMENTS**--Some of the new investments supplement earnings for parents who work:

(i) **Earned Income Tax Credit Expansion.** Under the reconciliation budget, incentives to work have been expanded through refundable tax credits. When the change is fully phased in the maximum assistance will rise approximately from $1,900 to $3,400 for a family with 2 or more children. For a full time worker the expanded EITC can add as much as $1.70 per hour.

(ii) **Unemployment Insurance for Low Income Families.** Making work pay involves not only raising the returns to work for parents, but also filling in the inevitable unemployment gaps. In the low-end labor market most jobs last less than one year. Wage subsidies in combination with wage insurance could create a viable self-sufficiency package at least one-third of the welfare population.

(iii) **Health Care.** Access to healthcare will remove the disincentive to work resulting from lack of health care coverage in low-wage jobs.

(iv) **Paternity Establishment and Child Support Enforcement.** Linking support for children to two parents insofar as possible should decrease the dependency of children on welfare. Special care must be taken to ensure that enforcement policies do not create a disincentive for fathers to work.

2) **NATIONAL OPPORTUNITY INITIATIVES**--Other investments should be aimed at expanding and streamlining access to self-sufficiency opportunities:

(i) **Improve current education, employment and training portfolio.** The federal government already invests over 100 billion dollars to provide universal access to education, employment assistance, and training: Job Training Partnership Act programs, guaranteed student loans, Pell grants, Head Start, Job Opportunity and Basic Skills program, adult education and hundreds of other programs. The current initiatives to streamline improve and expand these programs should have more effect than any new welfare training program. Improvements suggested by our group include: (a) more emphasis on high quality, on-the-job training; (b) more emphasis on the 20 occupations projected by the Bureau of Labor Statistics to have the most job growth; (c) more emphasis on public-private partnerships to create work experience opportunities.

(ii) **Transform JOBS into a structured, two-year system with a drop out program.** Everyone who is left on welfare who is considered able to work should only be paid for the hours which they participate in re-employment activities such as supervised job search, work experience, education or training. Parents who drop out of this highly structured program should receive intensive assessment, counselling and a much narrower set of options.

(iii) **Jobs Consortia.** When the time limit ends, welfare recipients who remain unemployed should be offered a temporary job. A small pool of jobs could be provided by a local consortia of public and private employers instead of launching a new, purely public-sector program. Many companies--non-profits and profit-based--have expressed an interest in forming consortia for hiring, training, and recycling funds invested in welfare recipients.

In Canada, the Human Resources Development Association formed an investment group which uses welfare funds to invest in small companies who hire and train welfare recipients.

In another model, a fund is set up which pays wage subsidies during a training period and then collects money back from the successful graduates of the program. Governor Wilder has requested permission to set up a revolving trust fund which could provide a menu of rewards to employers including tax breaks, reimbursements for training, or one year of health insurance payments.

State and local creativity should be encouraged for setting up public-private partnerships to provide temporary jobs at the end of the time limit.

(iv) **Raise asset limits for means tested opportunity programs.** In the campaign the President called for an increase of asset limits to $10,000 from the current $1,000 limit which is out of date. This would prevent families from having to hit bottom before we can offer them any help. Higher asset limits also would enable welfare recipients to save money while on welfare and build up a cushion against future crises that could put them back into a desperate position.

(v) **Teach banking, budgeting, and saving skills.** Managing work, childrearing and homemaking on a tight budget is no easy trick. Experience at New Hope shows that recipients need and want to learn about using checking accounts, ATM machines, and credit cards. Basic education on financial management could be offered through Community Development Banks or other public-private partnerships.

(vi) **Increase access to networks of employment and education opportunity.** Discrimination and the isolation of minority and poor children in separate schools and housing prevent many from reaching the first rung of ladders of economic opportunity. Job networks and higher education opportunities are often too far removed from the everyday experience of poor and minority youth and families in areas of concentrated poverty. Although specific initiatives along these lines may not be linked to welfare reform, it should be made clear that isolation from ladders of economic opportunity is one of the contributing factors to welfare dependency.

(vii) **Initiate a national campaign to explain the new social compact.** The public in general and young people in particular will need to be informed of the changes in the social compact. The choices faced by teens today will be tougher than those faced by their parents. Boys who father children will have a lifetime financial responsibility which cannot be dodged. Girls who become pregnant, bear children, and keep them will no longer be entitled to an 18-year salary at government expense. Raising public awareness of the new compact of responsibility and opportunity will help some youth to avoid difficulties and garner support for temporary assistance to those who make mistakes.[25]

3) **DEMONSTRATION AND EVALUATION OF OTHER INVESTMENTS:**

In addition to the basic elements of a re-employment system, we need to invest in creative approaches and flexible state options. We list below five areas which are high priorities for further investment and experimental research. In each area, a research plan is needed to clarify the investment objectives and our current level of understanding. Federal funds and waivers ought to be earmarked for projects in these areas proposed by partnerships including government officials, community groups, and private sector participants.

(i) JOB CREATION AND EMPLOYMENT INCENTIVES
(ii) SAVINGS AND EMPOWERMENT STRATEGIES
(iii) IMPROVING ACCESS TO JOB NETWORKS
(iv) TEAM-BASED APPROACHES
(v) INCENTIVES FOR SOCIAL WORKERS

In each of these important areas, we need more experience and evaluation of how to effectively use federal money--not just ad hoc waivers and demonstrations. Each of these topics is discussed below.

(i) JOB CREATION AND EMPLOYMENT INCENTIVES

Our issue group found that employer incentives to create jobs or to hire welfare recipients were theoretically unsound and a waste of money in practice. However, there may be a more limited, but valuable role for both employer and employee incentives. Incentives to offer or to take a job may be able to create temporary employment opportunities which can build job experience and skills. Developing these tools is a high priority considering the inability of traditional methods--training and job search assistance--to put an end to welfare. We need these new alternatives.

Many employment incentives have been tried, but few have been rigorously evaluated. For example, targeted employer tax incentives have been used for many years in order to help disadvantaged workers get jobs. However, the only study to evaluate targeted hiring

---

[25] In addition to these national programs, about half of the group was also in favor of national child support assurance and child care subsidies to encourage private sector work; others felt that statewide demonstrations were more appropriate for assurance and child care, given the high costs and unmeasured effects on the incentives for self-sufficiency.

incentives found them to be counterproductive for the disadvantaged workers.[26] Another alternative is provided by the America Works Corporation. This program uses AFDC checks to subsidize wages during a six-month trial period of work. If the worker performs well, she is permanently placed in the job and America Works collects a placement fee of about $5,000. As a result, America Works staff are highly motivated to train and support the worker during the trial period. Since this program and others like it have not been evaluated using randomly assigned control groups, it is impossible to determine whether all or part of their success is based on selecting the most able welfare recipients rather than actual assistance.

In sum, we found no **hard evidence that such grant diversion or targeted subsidy programs have ever influenced employers to create new jobs or caused employers to prefer the targeted group as employees.** On the other hand, the evidence does not conclusively show that subsidies, bounties, and incentives will be ineffective in any form. In a time-limited welfare system, these programs assume new importance as temporary or transitional assistance for entering the labor market. We strongly recommend that innovative new approaches be evaluated with randomly assigned control groups. Here are some of the approaches which should be evaluated:

- Pay wage subsidies directly to individuals instead of employers. Many variations are possible:
  - Permit part-time work or temp work. (With time limits, the issue of mixing welfare and work is a very different one.)
  - Allow employers to pay long term welfare recipients less than minimum wage while the government makes up the difference. This is similar to tax incentives or other employer subsidies but requires less paperwork for the employer.
  - Provide child support assurance or a refundable child care credit.
  - Test the effectiveness of employment bonuses to welfare recipients for finding and keeping a job.
- Use targeted incentives in a new way: through government contracting.

  We could provide preferential treatment for service providers who hire a minimum percentage of welfare recipients. We can leverage government funding for child care, substance abuse treatment, home health care, maintenance of public housing, and more. Let service providers compete to serve welfare recipients by hiring and training some of their customers. Such a program could be extended to all government contracting in the same way that we currently favor minority and women owned businesses. At a minimum we

[26] Burtless, Gary. "Are Targeted Wage Subsidies Harmful? Evidence from a Wage Voucher Experiment," *Industrial and Labor Relations Review* Volume 39, Number 1, October 1985, pp. 105-114. Burtless analyzed an experiment in which job seekers who were given a generous wage subsidy voucher were actually less likely to find work than were the randomly selected control group members.

should demand that new spending on day care lead to some job creation for welfare recipients.

If proven effective, these initiatives could help welfare dependent adults to get work experience in real jobs in order to increase their employability. On the other hand, wage subsidies can be a windfall gain for employers and a stigma for individuals. The need for research and rigorous evaluation with control groups cannot be overemphasized.

(ii) SAVINGS AND EMPOWERMENT INCENTIVES

During the campaign the President advocated helping welfare recipients to become self-sufficient through saving and empowerment strategies as well as through work and training. Our group recommended higher asset limits and financial education as part of the national welfare agenda. Once welfare recipients are allowed to save and encouraged to take advantage of the regular financial services and saving opportunities available to the general public, some research and evaluation could determine whether additional incentives would effectively promote self-sufficiency.

- Savings Incentives: New saving vehicles such as Individual Development Accounts or Community Development Bank/Certificates of Deposit could be established with matching federal money incentives. Use of these funds could be limited to training or entrepreneurship. In addition, welfare recipients could be allowed to earn extra money without losing any benefits if the money is placed in a personal development account. (HUD experiment? ask Mark Gordon or Cuomo)

- Empowerment Incentives: Research has shown that only a tiny fraction of the welfare population can successfully launch their own small business. However, there may be ways to expand opportunities for ownership and self-determination to a larger scale.

  - **Cooperative franchises** could provide a blueprint for success and some risk sharing in order to increase success rates. In a cooperative franchise, the workers share ownership with a regional or national entrepreneur who can provide the management and financial skills necessary to allow the hard work of the worker-owners pay off. In day-care businesses, for example, many mothers could succeed with such support.
  - **Community Investment Corporations** could allow residents to pool their money and team up with managers and entrepreneurs to revitalize the community. Since residents would have voting rights and a financial stake in the Corporation's success, they would work hard as employees and provide a loyal customer base. Returns from the venture would stay in the community.
  - **Employee-Owned Companies** like the Worker Owned Sewing Company in Massachusetts are built on the sweat equity of poor people. It now handles multi-million dollar clothing contracts for K-mart and others. Why can't women on welfare

use their latent work efforts to build equity instead of raking leaves for the Parks and Recreation Service?

If the future holds only long hours, low pay, and little job security, how can we expect women to get motivated and work hard? Creating opportunities for welfare dependent families to earn equity in a thriving venture may provide hope for participating in the American Dream which we take for granted. It just might motivate a family to try harder.

(iii) IMPROVING ACCESS TO GOOD-JOB NETWORKS

A major problem for the urban poor is the lack of access to networks for finding jobs. Studies of how people find work consistently conclude that the most common method for finding good jobs is a referral from friends or relatives. To provide such referrals, friends and relatives must themselves be employed and be a credible reference. The concentration of unemployment in poor neighborhoods or housing projects makes it difficult for the urban poor to make use of this highly productive method of job search. Instead, they must rely on formal methods of job search such as want ads and state employment development offices. The overrepresentation of the least advantaged among the population using these methods drives employers offering good jobs away from them. This intensifies the job-finding problem.

The research in this area does not provide us with clear insight into which policies are most effective for improving access to good-job networks. Efforts can be focused on improving access to informal networks or improving the quality of formal job networks.

- **Informal Job Networks.**

– Brokers. Welfare and youth employment practitioners emphasize the need for an intermediary broker. This broker can develop personal relationships with employers (near and far) and provide a credible recommendation for someone who would otherwise be stigmatized. Successful job developers or brokers generally have a business or sales background rather than a social work orientation. Such brokers or job developers may help youth and women with little job experience to access the informal job network.

– Gatreaux. Another method of improving access to informal networks is through moving to opportunity programs. Moving out of concentrated poverty areas can increase the probability of the mover's having friends and neighbors who work and can provide job referrals. As a group, we support national program development for moving-to-opportunity programs based on the positive results for children demonstrated in the Gatreaux project. However, we do not have clear evidence of links between moving away from high poverty tracts and job finding. It is unclear, for example, whether moving nearer to jobs is as important as moving nearer to people who work. If we step up the expectation to work, it will be more important to understand the impact of housing location on the ability to find work.

- **Formal Job Networks.**

- One Stop Shop. The new One Stop Shop initiative can provide disadvantaged neighborhoods with access to a job network through small, competitive, local offices linked together by computer networks. In these offices people can find out about local or regional labor market information, get job counselling, find out about training opportunities, and receive job search assistance. The key to ensuring that One Stop is a high quality job network is getting the buy-in from employers and middle class employees through attractive, high quality, competitive service. In addition to competitive bidding for one stop franchises, the Department of Labor plans to encourage One Stop vendors to provide fee-based services to employers such as screening, recruiting and supplying labor market information. Formal networks may also be improved by the skill standards initiative which will create objective skill standards and credentials for those who do not have four year degrees.

- Job Banks. A requirement to list jobs with the employment service job bank may be worth considering despite the controversy which it would generate. Without the job listing requirement job banks tend toward a destructive equilibrium. Employers with good jobs do not use job banks so employees with good skills do not use job banks. If listings were mandatory, it would attract a better pool of workers and make the service more useful to employers. Many European countries have job listing requirements which are estimated to have compliance rates ranging from 30 to 70%. Incentives to use job banks rather than a mandatory requirement might also be a way to reach a more positive equilibrium.

- New Formal Networks. Many jobs are not pre-existing slots; they are created to fit people. Formal networks should try to 1) showcase people as well as jobs and 2) bring employers and job seekers together in social settings. Alternative networks which could receive more support include: job fairs, video resumes, television programming, and subsidized employment newspapers.

Many of these job network initiatives are already planned and could be utilized by the welfare population. For example, the new School-to-Work initiative encourages states to incorporate the role of "career counsellors" as brokers. The Department of Housing and Urban Development is planning to expand their Moving-to-Opportunity programs. The Department of Labor could also work on ensuring that disadvantaged neighborhoods have access to One-Stop centers without jeopardizing the middle class buy-in. Certainly, career offices in schools of all neighborhoods could link up to the One-Stop information networks. Skill standards, when developed, will also be accessible to the welfare population. All of these services will not only be available to mothers and potential mothers, but also to fathers and potential fathers. We recommend rigorous evaluation of these alternatives for increasing access to high quality job networks.

(iv) TEAM-BASED APPROACHES

The current welfare system isolates women and children in a desperate situation. We expect them to stay at home without husbands. When we offer career assistance, we examine only one case at a time. Women are assigned community work service "slots" in an assembly line fashion. Alternative approaches could leverage teamwork to maximize resources and support.

- Residential College: Provide a physical setting in which women can work as part of a team. Cooking, child care, and other jobs in the community could be shared to reduce costs. Training could be offered without expensive overhead for child care and transportation. Such a community could probably be supported with the equivalent of welfare, food stamps and housing benefit. If it provides a safe place to live and good training, it would be a popular element in a two-year, "hand-up" welfare program.
- Team oriented JOBS: Emphasize job clubs, child care clubs, shared housing and other forms of mutual support as part of the existing JOBS program.
- Self-managed teams: Instead of assigning women to community work slots, teams of women could compete for pre-defined work contracts. As long as the contract specifications were met, there would be no need for expensive and demeaning supervisors. Providing more responsibility, freedom and respect would help build real world skills.
- Caseworker assistants: We frequently hear that caseworkers are overloaded and therefore cannot invest the time to help women rebuild their lives. We could recruit job-ready welfare mothers to work as case worker assistants to help other mothers solve more severe problems and become job ready.

(v) INCENTIVES FOR SOCIAL WORKERS & MANAGERS

Most of the discussions on welfare reform revolve around the incentives for welfare recipients or to a lesser extent around the incentives for employers. A key ingredient in helping welfare recipients make the transition to self-sufficiency is the incentive structure for social workers and welfare program administrators. In the testimony during the Welfare Reform hearing in Washington D.C., recipients described welfare workers, rules and systems as being hostile to women who took steps toward independence. In addition to changing the rules and the system, it is worth adding incentives for the caseworkers and JOBS personnel to help move their clients to work onto the research agenda.

Here are a few examples of ways to redesign welfare or JOBS administration to change the incentives:

- Work Support Agency. Separate the welfare administration from the administration of job assistance and subsidized jobs. This concept has been discussed as a new Work Support Agency, possibly run by the Department of Labor instead of HHS. This would allow staff on the job assistance side to spend less time worrying about income verification and eligibility and more time on getting people to support their children through work. The drawback is that it would create a new layer of bureaucracy at a time when we are trying to slim down and cut costs.
- Modernization. Use technology and process redesign to reduce dramatically the

amount of time spent processing paper. This would allow current staff to spend more time helping people instead of pushing paper.

- Include private groups. Allow non-profits and private companies to augment welfare programs by becoming part of the program. Toby Herr of Project Match has outlined a system in which welfare recipients could get work or education participation "credit" in their case for working with outside groups. For example, a mother who volunteers at school, church, or head start can get work hour credits if she is on time and a good worker. This allows individuals to find a supportive niche and build their own program rather than assigning women to make-work slots.

- Performance bonuses. Pay organizations for helping recipients get off and stay off welfare. Allow non-profits, private, and even government offices to compete for the funds. Recipients could choose an organization for casework. Payments could be performance based. However, we cannot pay a fixed bonus for all placements since some people are less likely to find jobs than others. Performance bonuses would pay all programs such as Project Match, America Works, One Stop Shop and the JOBS program for getting women in jobs that last.

III. Differing views: BASIC SUPPORT FOR CHILDREN

Summary: Once we cleared away the consensus areas, this issue remained at the heart of the private sector jobs issues. In various forms, we agreed that the incentive to work for able-bodied adults would be increased by widening the gap between the minimum level of assistance for children and the rewards to work. This means raising the rewards to work or lowering the floor. We favored "Make Work Pay" strategies that increased rewards such as the EITC and health care reform. Further increases in the rewards to work could be offered through employee subsidies and AFDC-based earnings disregards. We recommend raising the rewards to work within the budget constraints.

On the other hand, lowering the floor will also "Make Work Pay." The axis on which our views differed was according to **how low the floor could be allowed to drop** in order to provide an incentive for able-bodied parents to take private sector jobs.

Framework for options: Since the public sentiment has shifted away from an acceptance of a public responsibility to support able-bodied single mothers, it is our job to develop a humane policy that transforms the old, paternalistic social responsibility into a new social compact in which all parents bear the responsibility for supporting children through work. Our group, however, was very concerned about the impact on children of a potential reduction in security for children of single parents. The following framework serves to lay out the range of options discussed:

- As a yardstick for policy goals, we recommend an objective measure of the cost of supporting a child.

Each state should annually publish the minimum cost of supporting 1, 2, or 3 children in their state based on a common bundle of goods and services. For example, the bundle could include: food, housing, utilities, day care, night and holiday care, transportation, clothing, etc. States could publish an objective cost measure such as the average expenditure on the bundle of services in the bottom quartile of households in the state. This number (or a multiple of it) could be used as an index for child support awards in each state as well as for the welfare assistance options outlined below.

- Welfare Reform ought to introduce a new compact explaining which portion of basic child support is the public responsibility and for how long.

Require states that use federal AFDC money to ensure that first-time welfare recipients receive a bundle of cash and services equal to or greater than the basic cost of support for children. This would differ markedly from the current program in that AFDC benefits would be higher or lower depending on whether housing or other benefits were available. AFDC would serve to top up the budget to a basic, state-determined level of support rather than provide a fixed payment. Taking advantage of existing employment and training assistance would be easy if the cost of living--including child care--was really covered.

After two years, the public would no longer be expected to provide full support for the children--their parents are expected to support them through work. Once parents have used up their "hand up" assistance, the support for children includes a clear expectation that able-bodied adults will work. Any further assistance after the initial two years would be contingent upon having a child support order in place or an exemption. This new understanding of the social welfare compact could take at least four forms:

Option 1: Pay less than the full child support level after two years.

Within federal guidelines determined by the welfare reform effort, states could provide less than the full child support level. The partial payment of the basic child support would not be expected to support the family indefinitely. Assistance in this case might be used to tide the family over a crisis while they stayed with friends or in a shelter. After two years of a "hand up" the state would not be responsible for providing full support to children with one or two able bodied parents.

Any income over the welfare assistance should be disregarded up to the basic support level since the children will need the money to survive. Temporary, subsidized jobs could be provided in high unemployment areas with a higher federal match rate and incentives to relocate.

This is the only option in which long term recipients are paid less money than new entrants to the system. Federal guidelines would need to cover three aspects of the system:

1) Benefits differential: At one extreme, states could implement a program which dropped off to zero benefits. Federal guidelines might require an unemployment insurance program aimed at this population or some other supports in exchange for

allowing benefit termination. Alternatively guidelines could be designed to set a minimum level to which benefits could drop; states with benefit levels below the minimum could not utilize the option to cut benefits. A variety of other federal guidelines could be imagined to regulate the difference between the maximum and minimum benefits.
2) Benefits slope: States could choose to design the system so that individuals faced a gradual reduction in benefits or an immediate change. In order to implement steeper slopes, states might have to demonstrate accelerated investment strategies such as intensive training programs, access to day care or providing jobs for those who do not find work.
3) Phase-in strategies: Federal guidelines might restrict major changes to new entrants only. Gradual benefit reductions which did not fall to zero might be phased in for the population as a whole.

Justification: This would put the responsibility for finding work on the shoulders of able-bodied parents in the same way that it falls on able-bodied, childless adults. However, it leaves a partial cushion that is not available to childless adults or two-parent families. The size of the cushion would be determined by the federal or state guidelines spelled out in the welfare reform legislation.

Option 2: Pay the full support level, but only intermittently.

After two years, single parents could be provided full child support on the same terms as two parent families. Eligibility should be temporary and based on a work history. In order to place single and dual parents on an equal footing, such a policy might involve provision of affordable child care for single parents or exemption of single parents with children under school-age and no child care.

Justification: This would put responsibility for single mothers to work on a par with our expectations for two parent families. Children in both one- and two-parent families should be afforded more protection from unemployment than we provide for adults. Although we can justify more assistance to adults with children than without children, we can no longer defend dramatically different expectations for single or dual parents. Women (or single parents) are no longer expected to stay home with their children.

Option 3: Pay the full support amount indefinitely, but require work.

After two years, states could continue to offer full child support packages with a work requirement. Some feel that work must take the form of a "real" job. Others believe that certain parenting activities should count as a valuable work contribution.

Justification: This would give significantly less responsibility to single parents to find jobs relative to two-parent families or childless adults. However, it preserves the assumption that single parents have an obligation to work.

Option 4: Allow consolidation of means-tested funding before and after time-limit.[27]

Preventing hunger and homelessness among children--providing them with basic support--is not a question of how much AFDC can be cut after two years. In the current budget environment, basic support for children will require shifting funds from numerous means-tested programs, including education and training programs. In-kind assistance programs force destitute families to overinvest in housing, healthcare, food or education. If the resources from these programs could be pooled, jobless families could be offered a decent income with incentives for various behaviors. By focusing only on AFDC aid, we will do little more than place more hardship on families. In the initial two years, not enough funds will be available in the AFDC program alone to provide a true second chance. Reducing assistance or requiring work is just less after too little basic support.

We are focusing on a program that spends about $20 billion each year. Of that total, we may believe that only 25% of the families have an adult who could work instead of accepting welfare. Since getting that population to work will probably cost at least as much as AFDC, we are pouring our energy into a budgetary differential of about $1 or 2 billion either way. While AFDC recipients receive over $100 billion each year in assistance, AFDC reform will likely affect the spending of only $1 or 2 billion annually. Although one or two billion is a small budget slice, a billion dollar conversion from clothing to social work could significantly harm the well being of families.

Option 5: Allow states to apply for Options 1, 2, 3, or 4 and receive approval for an implementation plan. States could choose to shape the individual's transition from full child-support to partial support as a gradual or immediate change. States may choose to shift some resources out of housing or food stamps into wage supplements or income support. States would outline funding levels and strategies for employment, training and public jobs. Phase-in strategies from the current system may vary as well.

Justification: Differing strategies may be appropriate in different states or even different communities. Option 1 may be suited to large, highly populated states with turbulent job markets, whereas Options 2 or 3 might be more appropriate in rural states with highly seasonal work or less employment turnover. Option 4 may be helpful for very poor states in which the other options would have little effect.

Recommendation: Single parents with income below the basic level for supporting children

---

[27] It is interesting to note that this option brought together the most liberal and the most conservative members of our issue group. In addition, the unofficial Republican welfare reform proposal also touts a "block grant" concept as an option for states to increase flexibility.

should have assistance connected to an expectation to work. The goals of the program, not just the rules, should be clear and based on the cost of supporting a child. State-by-state, empirically based cost estimates would be more useful for calibrating an appropriate assistance policy than a national poverty level. The fate of children would not depend on winning a lottery for housing or other benefits. Clarifying the difference between our expectations for self-sufficient parents (the poverty line) and the basic cost of supporting kids (the basic child support level) would increase the incentive for parents to move into a private sector job.

Use Option 5 to permit states to test variations of the work expectation. Federal guidelines for reductions below the basic state level (Option 1) or periods of ineligibility (Option 2) should be agreed upon at the Welfare Reform Working Group level. Federal funding should be made available for 2 or 3 states to try a major commitment to guaranteed, part-time minimum wage jobs or indefinite, high quality workfare (Option 3). Ultimately, some programs may be found to be more effective than others for encouraging self-sufficiency depending on state or local circumstances.

Sources cited.

Bell and Orr

Bishop and Kang 1991

Burtless, Gary. "Are Targeted Wage Subsidies Harmful? Evidence from a Wage Voucher Experiment," *Industrial and Labor Relations Review* Volume 39, Number 1, October 1985, pp. 105-114.

David Ellwood.

Friedlander and Hamilton. "The Saturation Work Incentive Model in San Diego: A Five Year Follow Up Study." MDRC, March 1993.

Gueron

Gueron and Pauley, *From Welfare to Work*

Handbook of Labor Statistics, 1989.

Johnson, George. "Allocative and Distributional Effects," in Robert Havemen and John Palmer, *Jobs for Disadvantaged Workers: The Economics of Employment Subsidies*, The Brookings Institution: Washington, D.C., 1982.

Lerman, Robert. "A Comparison of Employer and Worker Wage Susidies" in Robert Haveman and John Palmer, *Jobs for Disadvantaged Workers: The Economics of Employment Subsidies*, The Brookings Institution: Washington, D.C., 1982.

Spalter-Roth, Roberta and Beverly Burr. *Supporting Work: The Relationship Between Employment Opportunities and Financial and Other Support Programs* (testimony presented at the public forum of the Working Group on Welfare Reform, Family Support and Independence). Institute for Women's Policy Research, August 19, 1993.

Statistical Abstract of the United States, 1992.

Ways and Means Green Book.

IV. Appendices

A. Background Papers

1) Job Outlook for Welfare Recipients (Lucas and Deane)
2) Welfare Recipients as Employees (Lucas and Deane)
3) Wage Subsidies (Gillingham)
4) Job Training and Job Development (Nicholson and Lah)
5) Savings, Assets and Empowerment (Stiglitz)
6) Economics of Early and Single Parenting (Deane and Bavier)

B. Options Presented to the Group

1) Sub-minimum wage
2) Individual Development Accounts
3) Community Development CDs
4) Education, employment and training model
5) New Foundation
6) America Works & TEE demo
7) 3 Tier System
8) The "Hill"
9) Residential College Opportunity
10) GSL Mentors
11) Disregards

WR-Jacks

THE COMMUNITARIAN NETWORK

THE CHANGE AGENT (YMCA) APPROACH: AN ELEMENT OF WELFARE REFORM

Amitai Etzioni
July 23, 1993

D R A F T

Comments will be appreciated.

2130 H STREET, NW
SUITE 714-F
WASHINGTON, DC 20052

D R A F T

"To end welfare as we know it." -- President Clinton

<u>THE CHANGE AGENT (YMCA) APPROACH, an element of welfare reform *</u>

This memo deals with only one piece of the welfare issue: how to encourage socially responsible behavior (such as independence, motivation to work, and observing the laws). It assumes that other steps will be undertaken that are not discussed here, including but not limited to job creation, child-support assurance, health care reform, and stimulating the economy.

Preaching alone will not enhance social responsibility; we need social mechanisms to change values and behavior. This memo focuses on social-change agents as such a mechanism. Although successfully used in the past, this approach is not currently included in proposals for welfare reform.

Abstract

Use social-change agents who are members of the groups whose culture, in some aspects for some members, needs to be modified.

---

* In revising this memo, I benefited from the analysis of a previous memo by Elisa Koff and from the research assistance of Steven Helland and Gayton Gomez.

Work on the value-side to encourage socially and personally responsible behavior, _in addition_ to using incentives and perhaps penalties (not discussed here). This can be achieved by hiring at-risk teenagers to do peer counseling and/or requiring teen mothers on welfare to work N hours per week as peer counselors for wages or as part of their welfare requirements. School-based and community-based human resource centers (to encompass health-care clinics and job orientation and placement programs) could provide the training and guidance that the peer counselors will require. Community involvement is important and attainable. Which outside groups should participate poses a question for which there are several answers.

1. Teen pregnancies as a core of the welfare problem

Welfare recipients do not all present the same problems. The welfare population contains a relatively high turnover contingent, comprised largely of displaced home-makers (recently divorced or separated) who are relatively quick to remarry and/or find jobs. It also contains a more permanent population containing some "unemployables," but mainly families headed by women who had their first child as a teenager. It is this latter population we need to focus on here.

A teen who has her first child say at age 14 and another at 16, is so far behind in her studies and skills and so burdened with child care that she is very difficult to "train" (her high school deficiency alone is significantly greater than two years) and to place. Reducing the pregnancy rate and deferring the age at which first children are born is hence a high priority for a welfare reduction and prevention strategy. We must therefore work on changing the behavior that leads to teenage pregnancy.

2. The social-change agents approach. Work on the values side: (i) hire some welfare clients as peer counselors; (ii) add senior counselors, and (iii) form human resource centers.

A social-change agents approach to welfare would use some members of the welfare population to integrate their peers into the values of the community, and motivate them to take responsibility for the consequences of their behavior.

History has demonstrated the merits of a social-change agents approach on populations whose behavior needed to be modified. In the past, the main value-oriented change agents were voluntary associations including ethnic and religious associations. Through these agents, the rowdy farm laborers who migrated into the cities, shorn of their community contacts, were won over to civil conduct, which led to a relatively orderly society (See the writings of James Q. Wilson). For example, in those days a young man knew that if he got a young woman "into trouble" he would be made to marry her ("shotgun weddings"). It served as a powerful prophylactic. It also set a clear norm for young women to follow; while quite a few did not abide by the norm, there was a clear norm and it led many to defer sexual activity and reduced the incidence of premarital pregnancies.

Social-change agents were also used when farmers in the USA resisted the introduction of new methods of farming. Change agents and change centers were created by the US Department of Agriculture, working with local authorities and colleges, to help both with the spread of the technical information and the cultural resistance to the needed changes. True, the gulf these agents had to bridge was smaller than we face in the welfare issue. But rather than abandon this approach, the existence of the gulf points to the importance of using social-change agents who are members of the at-risk groups.

How could we fashion contemporary equivalents? Let one grant that there is no ready answer, certainly not a proven one. Some experimentation is called for. However, the basic elements of what is needed are relatively clear:

* <u>Peer counselors</u>: Hire select members of the group of teenagers-at-risk as part-time (work while at school) peer counselors. And/or require teen welfare recipients to work off their welfare obligations by providing N hours a week of peer counseling. Note that most teenagers work while in school anyhow.

*

Experience shows that peer counselors have a much better chance of reaching their peers than any other group, including professional counselors. Also, it is reported that being a counselor has a salutary effect on those who do the counseling. For instance, those who are poor learners and ask to help others to learn (via PAL or other such programs) often end up studying better themselves.

* Selection: Not all teens at risk or on welfare will make suitable peer counselors. Screening will need to be conducted by senior counselors (see below) to find those who have leadership qualities and those who could do counseling in pro-social rather than anti-social directions. Second, the selection of counselors who are a bit older is recommended, for instance, Juniors should counsel Sophomores.

* The peer counselors themselves will need some training and guidance, as well as continuous supervision. This is to be provided by senior counselors. These senior counselors could be drawn from exemplary peer counselors and from the ranks of professionals.

* Broad focus: It is especially important that sex education or drug education should not be the only focus of the peer counseling. These issues should be folded into more encompassing programs for both substantive and other considerations, including assistance with vocational choices, nutritional information, etc.

* Both peer and senior counselors would need some resources, e.g., meeting rooms. Hence the need for human resource centers. These might be based in schools but possibly it would be better if they were based outside schools, in the sense that they would not be simply parts of the school's public bureaucracies but would be subject to guidance from both the board of education and community groups. This will allow the programs to receive public funds but may ease the questions raised by those who object to family

planning. Most important, it will help ensure that community groups would buy into the program.

If these centers are successful, one may ask if they would also be adapted and used as community centers that are not school based but neighborhood based.

* Context: Into what broader context should these centers be placed? All options that come to mind have some advantages and some difficulties.

Religious organizations (say in black churches) raise the specter of violating the separation of state and church. However, note that the South Carolina Department of Welfare, according to Sam Griswold, uses thousands of church volunteers to reach welfare clients, and provides professional counselors to these volunteers.

Drawing on the regular school staff is unlikely to work under most circumstances because of the high measure of alienation. However, in some cases they may participate as vocational guidance counselors and as senior counselors. School nurses and clinics might provide a kernel for the human resource centers.

The armed forces may provide some personnel, maybe in the form of a new ROTC. This may evoke militaristic fears. Still, this idea has promise, especially given the miliary's need to ensure that potential recruits will be in shape, its abundance of resources, its lack of mission, and the fact that the military has a sizable number of personnel with minority backgrounds, and many who would provide fine role models. Note that there is nothing radical about using the military in this capacity. For over a decade, more than

100 successful programs around the country have used the military infrastructure to help urban children. These programs range from tutoring to multifaceted programs that encompass establishing self-discipline and team building, as well as skills training, work experience in new settings and career development.

In recent years, several community colleges have shown themselves particularly well-suited as centers to reach out to disadvantaged populations.

The US Public Health Service or state public health departments might also serve in the counseling program, as long as the focus is broad. Note that even in schools in which alienation is relatively high, public health clinics have some credibility.

Finding the proper context for the culture change-agents is the single most important factor that will determine the success of this approach.

* Responses to criticism: Some argue that such approaches stress culture and "blame the victim" rather than the socio-economic conditions that cause poverty. It is my position that both socio-economic conditions and culture are at work. The main socio-economic change that is needed is to bring the economy to a higher growth pathway and make it more job rich. Here I focus on the other half of the equation: the needed changes in culture. We need to encourage people to take more responsibility for their lives and find meaning in socially constructive projects, especially work and abiding by laws.

For those who say that the values of welfare clients (actual and potential) are not different from those of the middle class, one should respond that indeed many of those in the middle classes need to have their sense of personal and social responsibility shored up. Hence, this is hardly an argument against this approach but rather an argument for expanding its reach.

3. Costs, Evaluations and Measurements:

Our basic contention is that this approach must more than pay for itself in the short run (within a year or so) or else it should be recast if not abandoned. The basic point is that while this program will not allow the peer counselors to earn a living or even part of it in the private sector, if they work properly they must be able to get at least some of their peers (as well as themselves) off at least some forms of irresponsible behavior. To put it differently: we expect a multiplier effect in that not only will those who are retained be expected to act responsibly (and thus reduce social costs) but be able to sway some others. Note that for many teenagers who do not become pregnant while in high school and who complete their training, society saves at least two years of welfare payments, costs of special training that in effect repeat what was available in high school, and many other costs.

There should be additional measurable reductions in crime rates and drug and alcohol abuse.

The total result in savings should exceed the costs of the centers. (If possible, one may try to charge the costs for the suggested centers, which to some extent merely consolidate existing programs, against the same programs in which we expect savings to occur so that no new net appropriations would be necessary.)

<u>Note also</u> :

* This approach does not entail a two year waiting period to get people off welfare.
* Other programs try to train welfare clients, then seek private sector work for them, and if these fail -- as they often will for reasons discussed below, in the current and foreseeable economic environment -- they are paid to do community service (or do community service to pay off their welfare obligation). Consider the suggested peer counseling as their community service!
* A merit of the approach suggested here is that it focuses most of its expenditures on potential and actual welfare clients and not on outside trainers.
* The success of the program will be enhanced by making schools into gun-free and drug-free zones, by the use of screening gates, locker searches, and increasing the penalties on those who take guns or drugs within three hundred yards of a school and triple again for those who take them into schools. (The ACLU objections to several of these measures can be readily countered on moral and legal grounds.)

4. School and corporation collaboration in apprentice programs

Measures to encourage welfare mothers to keep their children in school may be justified. However, note that at present the schools by all reports are particularly alienating and that their teaching is often ill-suited for those who are not college bound. Hence, a major school-based apprencticeship program for teens who do not seek to go to college should be fashioned. This should start at age sixteen or earlier rather than after a person has graduated. It should be crafted in collaboration with corporations. Note that the best training programs are those in which people are largely trained on the job and participants know that if they successfully complete the program, a job will be available. (Most training programs that are not employer-based do not have such a promise and many place only a few of their graduates).

School-based apprenticeship programs should be negotiated with the labor unions, in order to gain their support. A preliminary discussion suggests that this may not be impossible to accomplish.

At present, many teenagers do not see a meaningful future. If these teenagers become engaged in preparation for a promising vocation they are likely to be less inclined to have children. (Just Say No is not enough; they need a positive, realistic goal).

The following model has been suggested by Ted Kolderie, Robert Lerman, and Charles Moskos in their paper "Educating America: A New Compact for Opportunity and Citizenship":

1. 7-10th grade -- expose all students to information on various occupations.

2. 10th grade -- give students a choice between a purely academic or job apprenticeship track. Those choosing the latter will sign a contract with a specific employer.

3. 11th grade -- initiate a range of three-year apprenticeship programs. At this point students begin splitting time between school and on-the-job training.

4. 12th grade -- give a comprehensive educational and job-proficiency test to ensure capability.

5. "13th grade" -- much time would be spent on-the-job; material would be advanced enough to permit the apprentices to earn one year of credit toward an Associate's degree.

Such a program would have several advantages. It would expand the skilled workforce and improve opportunities for women and minorities. Wages will rise as more employees gain skills. Because employers would cover much of the expense of training, it would be low-cost. The program would increase the relevance of school for non-college-bound students and provide a positive option for the future, which would serve as an incentive to stay off drugs and avoid getting pregnant. Furthermore, by spending time in a constructive work and school environment, students will learn lessons of responsibility, civility, etc., and more will feel invested in the larger society and economy. Finally, the program will appeal to the general public because it is open to all young people, and not targeted toward any particular group.

x 2930

WR - JOBS

cc: S. Haberman
Paul D.
Bonnie D

[THIS WAS NAB'S 1st PROPOSAL. THEY'LL SEND US ANOTHER ONE SOON.]

August 31, 1993

MEMORANDUM FOR CATHY MAYS

FROM: Debbie Fine

SUBJECT: ~~Welfare~~ Reform Meetings For Bruce Reed

I spoke with Bruce before his vacation and he agreed to do the following the meetings:

1. An internal meeting on business strategy next week, with Amy Zisook, Caren Wilcox, Jeremy Ben-Ami, Patricia Sosa, Chris Lin, and me. (before September 9th)

2. A meeting with Kathryn Thompson, CEO of Kathryn Thompson Associates. (September 9th is when she'll be in from California.)

3. A meeting with Neil Offen, President of Direct Selling Association. 9/17

I would appreciate it if we could work together to get these set up this week. Thanks for your help.

Bruce,

Faxed from HHS. For your review before the 11:45 meeting.

August 30, 1993

The Honorable David Ellwood
Assistant Secretary for Planning
and Evaluation
U.S. Department of Health and Human Services
200 Independence Ave., S.W.
Washington, DC 20201

Dear David:

Steve and I appreciated the opportunity to meet you and Naomi last week. Your work as co-chair of the Working Group on Welfare Reform, Family Support, and Independence was of particular interest to us.

The National Alliance of Business stands ready to assist the President and the Working Group in the important task of reforming welfare. As I mentioned during our discussion and again the following day at the hearing, NAB strongly supports the President's goal to end welfare as we know it by providing a genuine alternative to our current system.

As part of our continuing effort to assist the Working Group in its mission, I am delighted to enclose our proposal detailing how the Alliance will conduct a series of focus groups on welfare reform. As you have said, business involvement in the development of a new system of welfare is critical. I believe that these employer focus groups will significantly enhance the efforts of the Working Group and will strengthen the proposal the Group ultimately formulates.

We have proposed four regionally targeted focus group sessions in Atlanta, Boston, Kansas City (Missouri) and San Francisco. Using these cities will ensure both geographic and employer diversity. We will also take advantage of NAB's regional offices for logistical coordination and participant identification.

These focus groups will be invaluable to the Working Group in several ways. First, they will provide direct private sector input from employers across the country. NAB will utilize its nationwide network of businesses, employers, and employer organizations. Second, the focus groups will provide feedback on carefully developed questions directed at identifying alternatives to many of our current public assistance programs. Third, using trained and experienced NAB

1201 New York Avenue, NW · Washington, DC 20005-3917
202.289.2888 · Fax 202.289.1303 · (TDD) 202.289.2977

facilitators, the focus group format is an efficient and cost-effective way to gather information. NAB's proven approach in conducting focus groups allows for a highly structured yet comprehensive process for synthesizing employer input.

This year as NAB celebrates its twenty-fifth anniversary, we have renewed our belief that there can be no higher priority than ensuring that all our nation's citizens have the education, training, support, and incentives to become full and productive members of our society. We applaud the President's efforts to design a welfare system that recognizes this priority and we are commited to making this vision a reality.

We look forward to continuing a collaborative and supportive relationship with the Working Group. Please feel free to contact Steven Golightly at 202/289-2920 if you have any questions regarding the proposal or if you are ready to move forward with this plan.

Sincerely,

Bill

William H. Kolberg
President and CEO

Enclosure: Focus Group Proposal

A Proposal to

Conduct Employer Focus Groups for the President's Working Group on Welfare Reform, Family Support and Independence

August 1993

National Alliance of Business

Washington, D.C.

WELFARE REFORM EMPLOYER FOCUS GROUPS
A PROPOSAL FROM THE
NATIONAL ALLIANCE OF BUSINESS

EXECUTIVE SUMMARY

What: A series of regional focus groups to elicit private sector employer input on key questions and issues relating to welfare reform.

Who: The National Alliance of Business will conduct the focus groups which will include CEOs and corporate personnel directors in companies of all sizes and representing a cross-section of industries and services.

Where: The focus groups will be conducted in Boston, Atlanta, Kansas City (Missouri), and San Francisco and will draw participants from a wide range of companies in the surrounding geographical areas.

When: Focus groups will be conducted during September and October 1993. Summary reports will be prepared at the conclusion of each group. A final report compiling the results of all groups and making recommendations based on those results will be prepared by mid December 1993.

How: In close consultation with members of the Working Group and representatives from HHS, NAB will coordinate all phases of focus group activity: question development, participant identification, logistics, analysis of data, and preparation of all reports.

Contact

Steven Golightly, Vice President, Human Service Programs, 202/289-2920

BACKGROUND

President Clinton is committed to providing an alternative to the welfare system as we know it today. As Governor of Arkansas, he was actively involved in welfare reform through the National Governor's Association. He was instrumental in the NGA's participation in passage of the Family Support Act of 1988. As President, Mr. Clinton has continued to speak out on the need for a fundamental reform of the nation's public assistance programs and has brought together the foremost authorities from government, academia, business, and labor to address this critical issue.

Welfare Reform

The President has begun a process which seeks broad-based input and participation in formulating an alternative to the welfare system. He has outlined a framework to guide the development of his reform proposal. This framework includes four key principles. Briefly they are to:

- make work pay;
- improve dramatically child support enforcement;
- provide education, training, and other services to help people get off and stay off welfare; and
- create a time-limited transitional support system followed by work.

Any proposal genuinely based on these four principles has the potential to reform dramatically our current welfare system. Yet even the most far reaching reform package will fall short without significant and substantive input from private sector employers. The end result of a new welfare system must be a job in the private sector and employer involvement in the design of this system is critical.

National Alliance of Business

The National Alliance of Business is uniquely positioned to stimulate and facilitate employer involvement in the welfare reform debate and in the subsequent development of an alternative to our current welfare system. We are the only business-led organization that has been and continues to be actively involved in the design, implementation and evaluation of welfare-to-work programs across the country. In addition, because of NAB's extensive involvement with education, job-training, and human service programs, we bring the ability to help integrate welfare programs into a much larger workforce development system - a critical goal of welfare reform efforts.

For 25 years, NAB has been dedicated to building a quality workforce. Our mission has grown over these years to encompass all elements which determine the quality of our workforce from job-training systems, to education reform and from workplace literacy to welfare-to-work programs. To accomplish this mission, NAB has built an extensive network of businesses and employers that are active across the country. This network includes a number of Advisory Councils, the Business Coalition for Education Reform, and the Business Roundtable.

JOBS Contract

Additionally, since 1991, NAB has been the prime contractor to the U.S. Departments of Health and Human Services, Labor, and Education for the JOBS inter-agency technical assistance project. Under this contract, NAB (and our subcontractors MAXIMUS and Pelavin & Associates) has directed the nationwide training and technical assistance initiative for state and local JOBS program administrators. We have held numerous workshops and conferences to facilitate the important discussions among federal, state and local leaders as they have designed and implemented their individual JOBS programs. Because JOBS is such an ambitious effort to bring together the human service, employment and training, and adult education communities, new avenues of cooperation and coordination have been required. NAB has played a key role in facilitating these new partnerships. This experience has given NAB a strong presence in the network of professional associations, businesses, for-profit and non-profit groups, and research institutions involved in welfare reform. It is this experience that NAB will apply to all its efforts in the welfare reform arena.

The Need

In an endeavor as large and complicated as welfare reform, gathering and analyzing information from the diverse individuals and organizations with a stake in the outcome is a critical task. Soliciting input from employers is a crucial component of this task. Without significant commitment from the private sector this exercise will be of limited success. Focus groups are a proven way of collecting and making use of information necessary to make decisions. Additionally, focus groups can play an integral part of any policy development process. Decision-making effectiveness is contingent to a large extent on gathering the right kind of data. Whatever the nature of the decision, having the right kind of information from which to consider strategically the alternatives is prerequisite to making both a correct decision and one that is politically and economically acceptable to all concerned parties.

FOCUS GROUPS

This section of our proposal briefly discusses how focus groups are used, their proven effectiveness as a means of collecting, interpreting and analyzing information, and how this project would augment and expand the efforts of the Working Group on Welfare Reform.

Focus groups in general are small groups of people that meet in a structured environment and are moderated by a trained facilitator to discuss a specific issue or set of issues of special interest. They are conducted primarily to generate information which assists in decision making. A well-designed focus group led by an experienced facilitator can be a very effective mechanism for collecting specific information about a topic.

Structure

During the session participants are facilitated to communicate openly their perceptions, attitudes, and personal histories with the selected topic. Individuals selected to participate normally possess some common set of characteristics that relate to the topic being considered by the group.

The facilitator for a focus group should be someone who leads a group dynamically, understands the objectives of the focus group, and does not have a vested interest in any particular outcome. An adept facilitator will limit the amount of time any one individual speaks, seeking opinions from all participants. A productive focus group structure is several open-ended questions, followed by a group reaction to one or two product or service models. By presenting the models, the facilitator solicits the group's likes and dislikes about the model as well as what the group would change to fit its needs.

Builds on efforts of the Working Group

The focus group activity that NAB conducts will supplement the work currently being done by the Working Group on Welfare Reform. NAB is closely following the activities of this group and will design all sessions in order to build on the Working Group's efforts. There are, however several reasons to broaden the scope of activities under the welfare reform initiative. First, information collected during public hearings, is, by its nature, very subjective. Organizations and individuals asked to testify must represent their members, constituents, associations, and interests. Their views, while helpful, are often very narrow in scope. The dynamics of a focus group, on the other hand, allow participants to speak openly and forthrightly about their feelings on the topic. This structure is conducive to addressing broad issues of concern and reaching consensus on solutions.

Private sector input

Second, the focus group NAB proposes will be targeted specifically toward employers. In designing a new welfare system that has private sector employment as one of its primary goals, the role of the business community is critical. NAB will use its extensive network of businesses to ensure that the views of broad range of employers are heard. Finally, the focus group approach will produce information that is more specific and thus more useful. Questions for participants will be carefully developed so as to compare results across groups and highlight common themes.

TECHNICAL APPROACH

The remainder of this proposal outlines our specific approach to conducting focus groups for the Working Group on Welfare Reform, Family Support and Independence. It begins with our technical approach to the project and concludes with a budget for the proposed tasks.

NAB will conduct a series of four 1/2 day focus groups with approximately 25 participants each in selected cities across the country during September and October. The cities are: Atlanta, Boston, Kansas City (Missouri), and San Francisco. In close coordination with the Working Group, NAB will be oversee all aspects of focus group activity: from logistics, question development and participant selection to facilitation, follow-up and summary reports.

Objectives

In consultation with the Working Group, NAB will develop specific objectives for each group as well as the entire series. We use a careful planning process to ensures that the information collected is valuable and that there is a clear idea of expected results.

Working through our Regional Service Offices, we will select focus group participants from a wide region surrounding each of the selected cities. Participants will represent a cross-section of companies including large and small employers, those located in urban and rural areas, manufacturing and service, and public and private. Individually, participants will be either Chief Executive Officers or those responsible for day-to-day hiring and personnel decisions.

In addition, we will call upon members of our National Board of Directors and our three Advisory Councils for participants from their companies.

Each focus group will broadly address the following issues:

> ***What is the most appropriate and effective role for employers in the redesign of our welfare system? How can the private sector become full and long-term participants in this new system?***

A more detailed, comprehensive list of questions will be developed for use at all sessions. Questions will be given to participants in advance of the focus group to allow them the opportunity to think about the topic before the meeting.

NAB will carefully select facilities that contribute to the open dialogue among and between group participants. Sessions will be conducted by trained NAB staff who possess not only expert facilitation skills but are thoroughly familiar with AFDC, JOBS, JTPA, and other public assistance and employment and training programs.

Products

Summary reports of each session will be produced. These reports will capture the information and recommendations gathered during individual meetings. In this way we will be able to pinpoint issues or problems that may be unique to a certain region of the country. These summary reports will contain specific information that will be useful in developing a new welfare system that is flexible enough to respond to local labor markets, economic conditions, and workforce characteristics.

In addition, at the conclusion of the last focus group, NAB will prepare a final report that summarizes the entire series. This report, however will go beyond merely summarizing each session, but will distill and analyze the information to be most useful to the Welfare Reform Working Group. The final report will not only answer "What happened?" but, "What did we learn?" and, "What are the conclusions that are most helpful to the Working Group as it continues its' task and prepares recommendations for the President?"

CONCLUSION

In summary, NAB proposes a series of focus groups that will add to and build on the efforts the Working Group already has underway. The focus groups will solicit specific information from employers on designing a welfare system that helps public assistance recipients transition from welfare to work. NAB will utilize its extensive network of businesses and regional offices across the country to ensure geographic, economic, and cultural diversity. The focus groups will solicit a wide range of views on a set of carefully selected questions. The effort will produce specific information and recommendations on developing a genuine alternative to the welfare system as we know it today.

Welfare Reform Employer Focus Groups
A Proposal from the
National Alliance of Business

Budget Overview

Employer Focus Groups

Labor & Overhead		$ 48,573	
Staff Travel			
Airfare	7,864		
Lodging	1,221	9,085	
On Site Meeting Expense			
Food & Breaks	4,681		
AV & Rentals	6,400	11,081	
Other Expenses			
Supplies	500		
Shipping	500	1,000	$ 69,739