

*Meeting Federal TANF Participation Rates:  
Indiana Should Follow Federal Guidelines in  
Allowing Education and Training*

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The goal of the Indiana Institute for Working Families is to help Hoosier families achieve and maintain economic self-sufficiency. The Institute is a program of the Indiana Coalition on Housing and Homeless Issues (ICHHI). ICHHI is a statewide, non-partisan, non-profit organization that believes everyone in Indiana deserves safe, decent, affordable housing; employment; income; and resources for self-sufficiency. ICHHI is committed to building stronger individuals, families, and communities through planning, research, education, and advocacy.



Indiana Coalition on Housing and Homeless Issues

### Meeting Federal TANF Participation Rates: Indiana Should Follow Federal Rules in Allowing Education and Training

Indiana's welfare program is at a crossroads. The state has privatized its services. The federal government recently instituted strict guidelines on work participation. At the same time, Indiana's economy is demanding workers with greater skills and education. Welfare recipients will need to be prepared to fill these jobs.

Research has shown that welfare-to-work strategies that use employment and education result in the best outcomes for families. Education often also leads to higher wages, and educated individuals are less likely to be poor. Other states, including Kentucky, Arkansas and Washington have incorporated education and training into their welfare programs.

Indiana should review its policies in light of the new federal requirements, specifically its restriction of education and training activities. This brief provides four recommendations that would help the state meet federal requirements and enable more families to access education and training services, starting them on a path to self-sufficiency.

#### Recommendations

- ***Allow education and training to count as a sole activity.*** The department should follow federal guidelines authorizing certain education and training to count as work without requiring other activities. The state could count more people as meeting work participation rates and recipients could increase skills and employability.
- ***Align funding and spending priorities to match core activities and services needed to meet work participation rates.*** Currently over 40 percent is spent on “other nonassistance” and administration. Meeting new work requirements will require increased spending on work activities and correspondingly on child care.
- ***Establish outcome measures and data collection systems.*** Very little data exists on how welfare recipients are faring as a result of participation in state programs. Efficient and effective use of resources will require evaluation of services.
- ***Create partnerships with stakeholder entities.*** Ivy Tech, the Department of Workforce Development, the Adult Education Division and employers should be consulted in creating work activities that meet the needs of businesses and workers.

Expanding the use of education and training serves two purposes: 1) provides greater flexibility to the state in order to meet federal requirements and maintain funding, and 2) helps families break the cycle of poverty and become self-sufficient. Shifting the philosophy beyond job placement will require a corresponding reallocation of spending and budget priorities. The state cannot afford to lose its TANF funds for failing to meet work participation rates. Families cannot afford to be left behind as the new economy requires workers with greater skills and education.

## Introduction

Indiana's welfare program is at a crossroads. The state has privatized its services in an attempt to streamline operations. The federal government recently reauthorized the program, making important policy changes regarding work participation rates. And Indiana's economy continues to shift from a manufacturing base to service and high skill jobs. All of these factors create an opportunity for the state to re-examine its efforts to offer education and training services to welfare recipients so they can move from welfare to self-sufficiency.

States can use a variety of activities to fit the federal definition of work, including education and training. Indiana has never taken full advantage of this policy provision. This brief:

1. Explains the new work requirements and how education and training fits within the federal guidelines;
2. Describes current Indiana policy and practice;
3. Provides best practice models on using education and training as part of welfare services; and
4. Recommends policy changes that would increase the use of education and training and improve outcomes for TANF families.

Indiana should use this time of transition to revamp its program and incorporate all the tools allowed under federal law to move families to self-sufficiency.

## Why Education and Training?

The federal Deficit Reduction Act (DRA) of 2005 reauthorized the Temporary Assistance for Needy Families (TANF) program and in doing so, re-emphasized the push to move welfare recipients into employment. Currently, only 30 percent of Indiana's welfare participants are in work activities. The state must meet a 50 percent work participation rate in fiscal year 2006 or risk losing federal funding. Ninety percent of two-parent families receiving assistance must be in work activities.<sup>1</sup> The new DRA rules mean Indiana has to double the number of families who are working.<sup>2</sup>

At the same time that Indiana needs to move more welfare recipients into work, the state is experiencing an economic shift. Manufacturing jobs, often requiring only a high school degree, are harder to find. More jobs require postsecondary education or training. Indeed, nine of the top 10 *Hoosier Hot 50 Jobs* requires education beyond high school.<sup>3</sup> Welfare recipients will need to be prepared to fill these jobs. However, less than three percent of Indiana welfare recipients have any education beyond high school.<sup>4</sup>

Taken together, it is clear that welfare policies must include ways to provide education and training opportunities for welfare recipients so they have the skills necessary to fill available jobs. The new work participation requirements, low level of education of TANF recipients and

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<sup>1</sup> "Reauthorization of the Temporary Assistance for Needy Families Program; Interim Final Rule." *Federal Register* 71:125 (29 June 29 2006) p. 37476

<sup>2</sup> U.S. Department of Health and Human Services (DHHS), Administration for Children and Families (ACF). "Estimated Additional Work Participation Needed Under the Deficit Reduction Act of 2005." Available at: [http://peerta.acf.hhs.gov/pdf/Public\\_WPR.pdf](http://peerta.acf.hhs.gov/pdf/Public_WPR.pdf)

<sup>3</sup> Hoosier Hot 50 Jobs, <http://www.in.gov/dwd/hoosierhotjobs/data2.html>. Accessed 5/2/07.

<sup>4</sup> U.S. DHHS ACF "Characteristics of TANF Recipients FY 2005"

more skilled jobs on the horizon create an opportunity for the state to realign the welfare program. Moving from a strict work-first model to a mixed approach using education and training in addition to employment would help families transition from welfare into family-supporting jobs.

Research shows that welfare programs that combine work activities with education and training are most successful in increasing recipients' earnings.<sup>5</sup> Individuals with higher levels of education are less likely to be poor.<sup>6</sup> Jobs that require postsecondary education tend to pay better, on average between \$7,300 and \$9,900 per year more compared to jobs requiring only a high school diploma.<sup>7</sup> The changing economy has resulted in wage gains for those with higher education. Real wages for workers without a high school diploma *declined* by 16 percent between 1973 and 2005. During the same time, workers with college education saw their wages increase by nearly 18 percent. Real wages remained stagnant for those with a high school degree or some college.<sup>8</sup> These data point to the importance of credentials and completion of postsecondary education in order to reap the financial benefits.

### **Changes as a Result of the Deficit Reduction Act (DRA)**

The Deficit Reduction Act of 2005 (DRA) reauthorized the TANF program and made several important policy changes regarding work participation rates and how states count participants. The new law created stricter definitions of work activities, clarifications on who should be counted towards the work rate, and added a substantial financial penalty for states that do not meet the new requirements. In the end, states are faced with moving more people into work activities or face up to a five percent decrease in funding.

The DRA has placed a renewed emphasis on moving welfare recipients into work. The policy guidance from the U.S. Department of Health and Human Services focuses on the state's responsibility to help TANF recipients secure employment and has defined work activities to make it clear what counts as an allowable work activity. Single parents are required to participate for 30 hours per week. Two-parent families must have a combined work effort of 35 hours if not receiving subsidized child care, or 55 hours if receiving child care assistance.

The policy distinguishes between core and non-core work activities. Core activities can count towards all hours of required participation, while non-core activities are allowed only in combination with 20 hours of participation in a core activity.

The core work activities counting towards all hours of participation include:

- **unsubsidized employment** – regular paid job
- **subsidized private sector employment** – private sector employer receives a subsidy for all or part of wages/costs of employing the recipient

<sup>5</sup> Gayle Hamilton. *Moving People from Welfare to Work: Lessons from the National Evaluation of Welfare-to-Work Strategies*. MDRC, July 2002.

<sup>6</sup> Bureau of Labor Statistics. *A Profile of the Working Poor*. May 2006, Report 994 p 2. Available at: <http://www.bls.gov/cps/cpswp2004.pdf>

<sup>7</sup> College Board. *Education Pays 2006: Second Update. A Supplement to Education Pays 2004: The Benefits of Higher Education for Individuals and Society*, p. 3

<sup>8</sup> Lawrence Mishel, Jared Bernstein, and Sylvia Allegretto. *The State of Working America, 2006-2007*. Economic Policy Institute, Washington, D.C. 2006

- **subsidized public sector employment** – public sector employer receives a subsidy for all or part of wages/costs of employing the recipient
- **work experience** – work activity to acquire general skills that must be supervised by the employer, work site sponsor or other responsible party at least daily
- **on-the-job training** – training to a paid employee to help them adequately perform the job
- **job search and job readiness** – act of seeking or obtaining employment, preparation, to include life skills training, substance abuse, mental health as long as deemed necessary and certified by medical or mental health professional
- **community service** – must be for organizations that provide a community benefit and should improve employability of the recipient
- **vocational education programs** (for up to 12 months) – organized educational programs aimed at employment in current or emerging occupations
- **child care** – caring for a child of another TANF recipient that enables them to participate in community service

Non-core activities, those countable if participating in 20 hours of core activities, include:

- **job skills training directly related to employment** – job skills required by an employer for the individual to qualify for employment
- **education directly related to employment** – for those without a high school diploma and need education related to a specific occupation
- **GED/high school diploma** – for those without a high school diploma

### Education and Training Policies—What Counts?

While the emphasis is on reaching work participation rates, it is important to note that education and training are included as both a core and non-core activity in the federal rules. Vocational education and on-the-job training can count towards all hours of the participation requirement. Job skills training, education directly related to employment or GED/high school diploma preparation must be done in conjunction with other activities. States are allowed to have up to 30 percent of their participating caseload in education or training activities.<sup>9</sup>

The DRA defined vocational education as education that provides individuals with skills to perform a specific trade, occupation or vocation and is provided by education and training organizations, such as community colleges, postsecondary institutions, vocational technical schools or proprietary schools. Participation can be counted for up to 12 months.<sup>10</sup> The key requirement is that the education leads to a specific occupation or trade. Many colleges with career pathways and sector-based strategies offer educational programs targeted to specific industries in their area. (These concepts are addressed in more detail in Appendix A.) TANF funds can be used to offset tuition, fees and other supportive services to students.

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<sup>9</sup> Participating families are those that are taking part in activities meeting the federal definitions of work. Only families who are deemed “work eligible” are required to participate in work activities. States have the option of excluding single mothers with children under the age of 12 months from work requirements. Immigrant parents who are ineligible to receive assistance, and families where a parent receives disability are exempt from the work-eligible definition.

<sup>10</sup> “Reauthorization of the Temporary Assistance for Needy Families Program; Interim Final Rule.” *Federal Register* 71:125 (29 June 29 2006) p. 37460-461

On-the-job training includes training that is provided to a paid employee in order to help them adequately perform their job. TANF funds can be used to subsidize the cost of the training. Employers are expected to retain the employee upon completion of the training program.<sup>11</sup> On-the-job training could be used for welfare recipients who find employment, but need additional training to bring them up to par with other employees. The employer's cost can be offset by state funding, making this a win-win for both the employer and worker.

Indiana should implement a dual strategy in reaching the federal participation rates by utilizing traditional job placement in conjunction with education and training options. Not all recipients are appropriate for education and training programs; however, the state should include it in their "toolbox" to help recipients secure employment. Up to 30 percent of the participating caseload can be in education or training activities and still count towards the federal requirement.<sup>12</sup> The state can use vocational education, on-the-job training and other job skills training programs to help welfare recipients gain the skills necessary for employment.

### **Indiana Policy and Practice**

Indiana, like many states, has restricted education and training activities to count only as a part-time activity, which means participants must also be involved in other work activities. The policy actually states that the participant "must be working part-time or in a work experience program."<sup>13</sup> The agency website clearly states that the program emphasizes "work first," meaning "individuals are expected to accept a job when it can be secured with their existing education and skills."<sup>14</sup>

The numbers bear this out. According to data submitted to the federal Department of Health and Human Services, only 1.3 percent (332 individuals) of Indiana welfare recipients were engaged in vocational education activities in 2004. Only 14 recipients received on-the-job training. Another 304 received education services directly related to employment and 164 received job skills training.<sup>15</sup> A total of only five percent of adult recipients were engaged in any type of education or training activities in 2004.

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<sup>11</sup> Ibid, p. 37548

<sup>12</sup> States can offer education and training to more recipients; only 30 percent can be used for federal reporting purposes.

<sup>13</sup> Indiana Family and Social Services Administration (FSSA), IMPACT Policy Manual, <http://www.in.gov/fssa/family/pdf/2500.pdf>

<sup>14</sup> Indiana FSSA, website accessed 5/3/07 <http://www.in.gov/fssa/family/impact/index.html>

<sup>15</sup> U.S. DHHS, ACF FY 2004 Work Participation Tables. Available at: [http://www.acf.hhs.gov/programs/ofa/particip/indexparticip.htm#2004work participation tables](http://www.acf.hhs.gov/programs/ofa/particip/indexparticip.htm#2004work%20participation%20tables)

**Table 1: Average Number of Indiana Adult TANF Recipients Engaged in Education or Training Activities, By Activity: 2004**

<u>Activity</u>	<u>Number</u>	<u>Percent</u>
Vocational Education	332	1.3%
On-the-Job Training	14	0.1%
Education Related to Employment	304	1.2%
Job Skills Training	164	0.7%
<u>Satisfactory School Attendance</u>	<u>410</u>	<u>1.7%</u>
Total Adults in Education or Training	1,224	5.0%
<u>TOTAL Adult Recipients</u>	<u>24,684</u>	<u>100%</u>

Source: U.S. DHHS, ACF FY 2004 Work Participation Tables

It is clear that Indiana has not utilized education and training to the extent allowable under federal law as part of its IMPACT programs.<sup>16</sup> The federal policy counts education as a core work activity without requiring additional work hours; state policy is more restrictive, requiring recipients to work while pursuing education. The state philosophy has clearly been to require recipients to get jobs and move them off public assistance.

The demographics of the population suggest a critical need for increased education and training. The majority (57 percent) of Indiana's adult welfare recipients have only a high school education. However, very few (less than 3 percent) have any education beyond high school. Nearly forty percent have not completed high school.<sup>17</sup> For some, basic education is needed just to become employable. Others would benefit from more advanced education designed to move them out of low-wage, unskilled jobs into higher-paying positions. Education and training should be included and evaluated as an option for all recipients.

Indiana spends a very small portion of its TANF budget on work activities, which include education and training, employment counseling, job development and job placement information and referral services.<sup>18</sup> In 2005, the state spent \$4 million on education and training, or 1.4 percent of the total expenditures. Less than \$3 million, or one percent, was spent on the remaining job-related activities. Of the \$300 million available for the welfare program, Indiana spent only two percent on all work activities, including education. Nationally, states spent over six percent on this category.<sup>19</sup>

The largest share (36 percent) is spent on basic assistance, including cash grants. The second largest portion (28 percent) is for "other nonassistance."<sup>20</sup> The reports to the federal government do not specify what is included in this category, but the Institute examined the state TANF

<sup>16</sup> IMPACT is the Indiana Manpower and Comprehensive Training program, the state's TANF work program.

<sup>17</sup> U.S. DHHS ACF "Characteristics of TANF Recipients FY 2005"

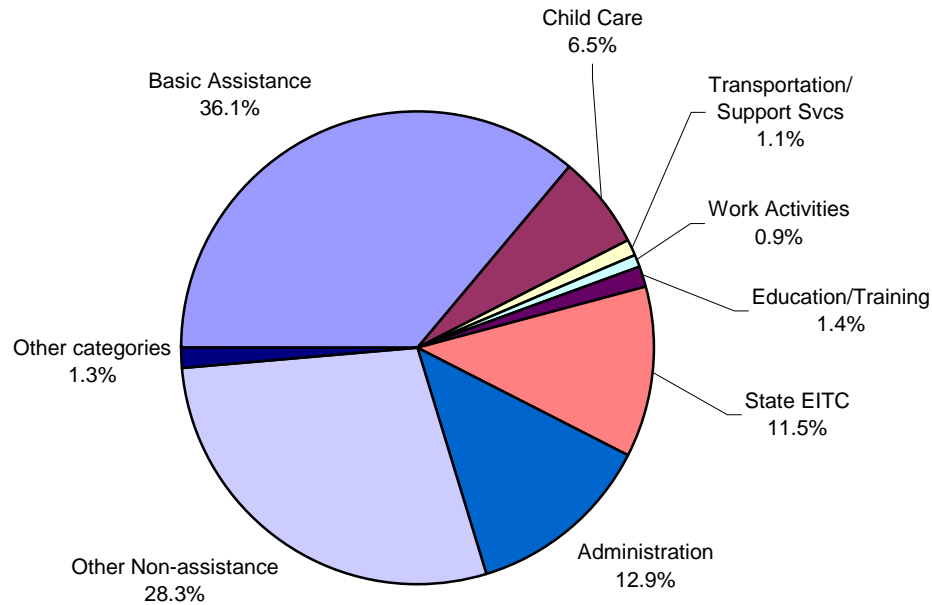
<sup>18</sup> US DHHS, ACF, *TANF Seventh Annual Report to Congress*, December 2006. Available at: <http://www.acf.hhs.gov/programs/ofa/annualreport7/chapter02/chap02.pdf>

<sup>19</sup> Center on Law and Social Policy (CLASP). *Indiana Use of TANF and MOE Funds in FY 2005*, Based on Fiscal Year 2005 TANF Financial Data. Available at: [http://www.acf.dhhs.gov/programs/ofs/data/2005/tanf\\_2005.html](http://www.acf.dhhs.gov/programs/ofs/data/2005/tanf_2005.html)

<sup>20</sup> Ibid.

budget in 2005 and found a large portion of the funds went to the Healthy Families program.<sup>21</sup> Nationally, only 10 percent of TANF expenditures were for “other nonassistance.”<sup>22</sup> The author is not judging the benefits of nonassistance programs, just highlighting the proportion of funds going towards non-core activities. If the emphasis of the welfare program is to mandate recipients find employment, it would be expected that more funds would be dedicated to this purpose.

**Figure 1: Indiana TANF Expenditures, Federal and State Dollars, FY 2005**



Source: Center on Law and Social Policy (CLASP) based on Fiscal Year 2005 TANF Financial Data.

### Model Programs

Many states have created innovative programs offering education and training to welfare recipients. Evaluations of welfare programs show those using education and training as a complement to work activities result in the best outcomes for families.<sup>23</sup> The goal is to provide families with the skills and education necessary to succeed in the work world. States have tailored education and training programs to meet the needs of various subsets of the welfare population.

<sup>21</sup> The Healthy Families program is a voluntary home visitation service for new parents and those with children age zero to five that works to promote healthy families and children. The goal is to reduce child maltreatment rates. For more information see <http://www.in.gov/dcs/protection/dfhealthy.html>. For more detailed analysis of the state TANF budget, see *Indiana's TANF Budget Priorities: Past, Present and Future*, Indiana Institute for Working Families, July 2005

<sup>22</sup> CLASP. *Indiana Use of TANF and MOE Funds in FY 2005*

<sup>23</sup> Gayle Hamilton. *Moving People from Welfare to Work: Lessons from the National Evaluation of Welfare-to-Work Strategies*. MDRC, July 2002.

Kentucky created a cooperative effort between the community colleges and family service agency to help welfare recipients access college courses and provide work study opportunities. Arkansas implemented a Career Pathways program designed to help low-income students, specifically welfare recipients, map out career goals and the educational steps necessary to achieve that goal. Washington focused on the low-skill worker, including those with limited English language skills and integrated basic education and English as a Second Language (ESL) classes with workforce training. All programs show successful outcomes and can be replicated in Indiana. (See Appendix A for more information on these programs.)

### *Keys to Success*

Several factors influence the success of education and training programs. Indiana can learn from the experience of other states.

Tailor programs to meet the needs of the adult learner. Recent research highlights the unique challenges facing adult students pursuing postsecondary education credentials. Welfare recipients often encounter even more barriers to educational success due to their current financial circumstances. Adults with financial needs, balancing work and family obligations are considered at high risk of failure in postsecondary institutions.<sup>24</sup> This challenge can be addressed head-on through innovative programs and flexible scheduling designed to meet the needs of working adults.

Provide supportive services that address traditional barriers to education. Welfare recipients often need help in navigating college systems, finding child care, and making good decisions about educational programs that will benefit them most in the long run. Successful programs often offer supportive services, including child care, transportation, career counseling, case management, and job placement. These services can make the difference between completing a degree program and dropping out. The Kentucky and Arkansas models both put significant resources to supportive services.

Create clear goals and pathways. Participants need to understand the long term goals and steps necessary to achieve those goals. Breaking education and training programs down into “chunks” can help students achieve success along the way. Shorter sessions and compact courses are also easier to fit within busy schedules and family responsibilities.

### **Recommendations**

In order to meet higher participation rates, the state should broaden its efforts beyond job placement and should examine all activities that count. Families should be offered the full range of activities that may provide the best economic benefit considering their individual circumstances. The new federal guidelines provide a perfect opportunity for the state to re-examine its efforts. Expanding the use of education and training serves two purposes: 1) it provides greater flexibility to the state in order to meet federal requirements and maintain funding, and 2) it helps families break the cycle of poverty and become self-sufficient. Not only does the state have room to expand the number of recipients in education and training to meet

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<sup>24</sup> Brian Pusser, et al. *Returning to Learning: Adults' Success in College is Key to America's Future*. Lumina Foundation for Education, March 2007, p. 6.

federal benchmarks, but doing so will benefit families.<sup>25</sup> The following recommendations could increase the state's participation rate as well as improve family outcomes.

Revise Indiana policy to match federal rules.

The federal law allows education and training activities alone to count for all hours of participation. Indiana has restricted education and training to a part-time activity that must be done in conjunction with other work hours. Indiana would benefit from the greater flexibility allowed by federal rules to allow recipients to participate in education and training as their sole activity. This may be appropriate for some who may have work experience, but need the education credential to move ahead. Others may benefit from intensive education and training as a first step to gaining marketable skills. All recipients should be offered the option of some form of education and training.

Kentucky, a state that has been successful in moving welfare recipients through their community college system and into good-paying jobs, allows education and training to count as a sole activity. Administrators explicitly stated in their state TANF plan, "The cabinet recognizes the critical role that education plays in preparing adults for work and long term employment." Therefore, they allow recipients to attend postsecondary education programs for up to 24 months (12 of which can count toward federal participation rates) without requiring any other work activity. The department also provides supportive services, including child care, transportation, payment for supplies and other fees.<sup>26</sup>

Align funding priorities and spending.

Spending on work-related activities, including education and training, has been minimal. The state currently spends over forty percent of its entire TANF budget on administration and "other nonassistance." Only three percent is spent on work-related activities.<sup>27</sup> Increasing the number of families participating in work activities will require adequate funding. The budget will need to be aligned with these new goals.

Adequate child care funding is essential to enable more parents to find work or attend educational programs. Currently the state does not transfer the full allowable amount under TANF to child care, and overall spending on childcare has decreased by over 10 percent since 2003.<sup>28</sup> Working families need child care in order to secure and maintain employment. Funding for child care assistance will be critical to achieving that goal.

Families who are struggling to make ends meet often need supportive services to establish and maintain financial stability. TANF funds can be used to address transportation challenges, emergency needs and work-related expenses (including clothing and equipment.) Case management and follow-up can help families address barriers as they arise. Supportive services are key to helping families transition from public assistance to self-sufficiency.

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<sup>25</sup> Hamilton. *Moving People from Welfare to Work*.

<sup>26</sup> Kentucky State TANF Plan FFY 2003-04. Kentucky State Policy Manual. Available at: [http://manuals.chfs.ky.gov/dcbs\\_manuals/dfs/voliiii/voliiiams4210.doc](http://manuals.chfs.ky.gov/dcbs_manuals/dfs/voliiii/voliiiams4210.doc)

<sup>27</sup> CLASP. *Indiana Use of TANF and MOE Funds in FY 2005*

<sup>28</sup> U.S. Department of Health and Human Services, Child Care Bureau. FFY 2005 CCDF Data Tables. Available at: [http://www.acf.hhs.gov/programs/ccb/data/ccdf\\_data/05acf800/list.htm](http://www.acf.hhs.gov/programs/ccb/data/ccdf_data/05acf800/list.htm)

Indiana's TANF spending should be re-examined given the emphasis on meeting work participation rates and helping recipients find and maintain employment. Increasing and expanding the use of allowable work activities to include education and training will likely result in higher spending in these areas, as well as child care and supportive services.<sup>29</sup>

Establish clear goals and accountability mechanisms.

The goal of the welfare program should be not only on employment, but moving families into jobs that pay living wages. Placing participants in low-wage jobs puts them at risk of returning to assistance. The state should track the wages of recipients and job retention to understand whether their services are moving families off welfare for the long term. Are families leaving welfare and finding jobs that provide living wages?

In order to evaluate the state's effectiveness in moving recipients off welfare, the state should institute outcome measures and reporting mechanisms to track the earnings of recipients and employment status. Other states, including Arkansas, have legislated outcome measures and performance standards relating to earnings, job retention, and poverty status. The legislation specifically requires the agency to track how many former recipients move out of poverty.<sup>30</sup> New Hampshire has a bill pending that would also institute performance measures and outcome goals.<sup>31</sup>

The last evaluation of the Indiana welfare program was completed in 1998, and showed that many former recipients found jobs that paid wages below the federal poverty level and did not offer benefits.<sup>32</sup> Current data on how welfare recipients are faring in terms of income, employment status and other factors are unavailable. Making decisions regarding programming is difficult without understanding what works or does not work for recipients. A thorough evaluation could provide this information and a basis for establishing performance benchmarks. These benchmarks can also be used to evaluate private providers as part of the modernization efforts.

Create partnerships with businesses, workforce, education and training providers

Expanding the use of education and training options under the TANF program will require new partnerships and collaborations. The state should work with the Department of Workforce Development (DWD), the Adult Education Division in the Department of Education, Ivy Tech Community College, the Chamber of Commerce and other training providers to align policies and practices targeted to TANF families. Coordinating services should result in more effective and efficient use of resources.

Indiana should evaluate the feasibility of implementing approaches similar to that of Kentucky, Washington or Arkansas. Ivy Tech is creating a College for Working Adults that could be

<sup>29</sup> For more information see *Indiana's TANF Budget Priorities: Past, Present and Future*, Indiana Institute for Working Families, July 2005.

<sup>30</sup> Arkansas Code, Act 1705 of 2005, A.C.A. § 20-76-105(1). Available at: <http://www.arkleg.state.ar.us/NXT/gateway.dll?f=templates&fn=default.htm&vid=blr:code>

<sup>31</sup> New Hampshire SB 226. Available at: <http://www.gencourt.state.nh.us/legislation/2007/SB0226.html>

<sup>32</sup> David Fein, et al. *The Indiana Welfare Reform Evaluation: Program Implementation and Economic Impacts after Two Years*. Prepared for Indiana Family and Social Services Administration, November 1998, p. 96

tapped as a resource. The state has many existing workforce training programs in place and could integrate these efforts with TANF programs. Career pathway models have been developed for secondary students through the Department of Education's Career and Technical Education division. These could be revised to fit the needs of adult workers and utilized by TANF recipients and caseworkers in designing work/career plans. Private sector employers need to play a significant role in the development of effective education and training programs. Employer needs must be identified so that training results in a worker with the skills necessary to secure available jobs.

### **Conclusion**

The department should expand its definition of allowable work activities to include all those permitted by federal law if it hopes to meet the federal work participation rates. Specifically, the state should allow education and training to count as a sole activity to meet work participation requirements. Education and training is necessary for some recipients to gain basic skills to become employable. Others can use education and training to increase their skills and ability to advance to higher paying jobs leading to self-sufficiency. Expanding the philosophy beyond job placement will require a corresponding shift in spending and budget priorities. The state cannot afford to lose its TANF funds for failing to meet work participation rates. Families cannot afford to be left behind as the new economy requires workers with greater skills and education.

## APPENDIX A Model Programs

### **Kentucky Ready-to-Work**

The Kentucky Ready-to-Work program is a collaborative effort between the Kentucky Community and Technical College System and the Kentucky Cabinet for Health and Family Services. The program began as an attempt to create more work study opportunities for welfare recipients who were enrolled in the community colleges. Ready-to-Work is now a statewide network including 20 full-time coordinators serving 16 community colleges in the state. The coordinators are paid with TANF funds and function as liaisons between the two state agencies coordinating program services at the college campuses. The program focuses on providing work study opportunities, and includes support services, case management, career counseling, job placement and other student services. The program recently included recipients needing a GED in order to attend community college.

The program has received various awards for the positive results it produces. Students gain valuable work experience through work study programs and receive necessary support to help them stay enrolled and complete their academic programs. From 1999 to 2006 the program has grown from 395 to 1531 enrolled students. Nearly nine percent of the Kentucky TANF population is attending college, a greater percentage than the population as a whole. Since the spring of 2001, over 1,400 current or former RTW participants graduated. Half of them have continued postsecondary education after graduating.

For more information:

Kentucky Ready-to-Work

<http://www.kctcs.edu/readytowork/>

### **Washington I-BEST**

Washington created an Integrated Basic Education and Skills Training (I-BEST) program that combines workforce education and basic skills/English language training to meet the needs of its low-income workers. The two main components include instruction by both workforce and education faculty, and the provision of supportive services. The program is designed to meet the needs of employers and requires extensive coordination with community organizations and education programs.

Students earned an average of 10 college credits and 12 workforce credits through the program, a substantial difference between the comparison group that completed two college credits and three workforce credits during the same time. The I-BEST program can be used as a first step in helping recipients gain necessary workforce skills. For long-term success, pathways to additional education and careers must be established.

For more information:

*I-BEST: A Program Integrating Adult Basic Education and Workforce Training.* Washington State Board for Community and Technical Colleges, Research report No. 05-02

[http://www.sbctc.ctc.edu/docs/data/research\\_reports/resh\\_05-2\\_i-best.pdf](http://www.sbctc.ctc.edu/docs/data/research_reports/resh_05-2_i-best.pdf)

### **Arkansas Career Pathways**

The Arkansas Career Pathways program offers free training and college courses to qualified TANF recipients. The program offers supportive services, including career counseling, child care assistance, transportation and job placement services. The Career Pathways program is offered by 11 community colleges across the state and is managed by the Southern Good Faith Fund, a nonprofit organization. SGFF acts as the intermediary between employers and workers making sure both entities receive the supportive services they need.

The basic premise of career pathways is to provide educational opportunities that link workers with local employers. The state worked with employers to identify high demand jobs in the region and created a series of linked educational programs that move individuals along the path to the skills necessary for the jobs. Arkansas has career pathway models for business occupations, education, emergency medical services, manufacturing, welding, nursing and other health occupations.

Counselors work with individuals to identify goals and supportive service needs. The educational steps are mapped out so the student knows the steps necessary to get to the job. Pathways are designed to allow individuals to work and attend classes. Since 1997, the program has graduated over 800 students, over 80 percent of who found employment or moved up one step in the career ladder.

For more information:

Arkansas Career Pathways

<http://www.arpathways.com>

Southern Good Faith Fund, Program Description

[http://www.goodfaithfund.org/programs/programs\\_ip.html](http://www.goodfaithfund.org/programs/programs_ip.html)

Southern Good Faith Fund, Annual Impact report 2005-2006

[http://www.goodfaithfund.org/\\_pdf/sgff\\_annual\\_05.pdf](http://www.goodfaithfund.org/_pdf/sgff_annual_05.pdf)