

COSCDA GUIDE TO MAJOR FEDERAL WORKFORCE DEVELOPMENT PROGRAMS



- *Department of Labor*
- *Department of Health and Human Services*
- *Department of Education*

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**COSFDA
GUIDE TO MAJOR WORKFORCE
DEVELOPMENT PROGRAMS**

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COUNCIL OF STATE COMMUNITY DEVELOPMENT AGENCIES

GUIDE TO MAJOR FEDERAL WORKFORCE DEVELOPMENT PROGRAMS

INTRODUCTION

Federal workforce development policy affects many of the low and moderate-income families who are the target beneficiaries of the Community Development Block Grant (CDBG) program. Through various programs, the federal government pays for basic skills education, job training, vocational rehabilitation, and other services utilized by lower-income persons to support themselves and their families.

Three federal departments (Labor, Education, and Health & Human Services) provide workforce development funding to states such as the U.S. Department of Housing & Urban Development supports community development through the state CDBG program. The overlap among the target populations of these various programs creates opportunities for collaboration and synergy. CDBG administrators who are well-informed about the major state-administered federal workforce development programs and the potential connections will be in a better position to realize these opportunities.

This guide is a primer providing basic information about:

1. Workforce Investment Act or WIA (Department of Labor);
2. Adult Education, Vocational Education, and Vocational Rehabilitation (Department of Education);
3. Temporary Assistance for Needy Families, or TANF (Department of Health & Human Services); and
4. opportunities for connecting these workforce development programs to state CDBG programs.

WORKFORCE INVESTMENT ACT – Department of Labor

Overview

The Workforce Investment Act of 1998 (WIA) provides the current framework for federally-supported job training and placement activities administered through the U.S. Department of Labor. WIA replaced the Job Training Partnership Act (JTPA) system established during the Reagan administration.

WIA is intended to create a customer-focused information and service delivery system that helps job seekers and incumbent workers access needed resources and helps businesses find and maintain appropriately skilled employees. It embodies significant changes in the way the federal government supports workforce preparation. States and localities are still adjusting to these changes. In some areas, it is not readily apparent that much has changed. The system remains in flux. But both the intent of the legislation and the reality of its evolving implementation point to increased flexibility and creativity in meeting the employment needs of low and moderate-income individuals and families.

State and Local Governance Structures

WIA reduced the federal role in prescribing workforce development policy. States and localities are given wide discretion to set policies that are consistent with their needs and plans. Each governor appoints a state workforce investment board (WIB). In conjunction with local elected officials, each governor also designates the workforce investment areas within the state. The chief local elected officials in each workforce investment area appoint the local WIB in accordance with criteria established by the governor.

The local WIB replaces the Private Industry Council operating under JTPA. A majority of the members of each WIB must be private business executives. Each WIB must also include representatives of the “mandated partners” (see One-Stops below). The WIB’s primary responsibilities are strategic planning, setting workforce development policy, and overseeing service delivery.

Each local WIB also establishes a Youth Council to develop the parts of the local plan relating to youth, recommend providers of youth services, and coordinate local youth programs and initiatives.

Planning Requirements

Each state WIB must submit a five-year strategic plan to the U.S. Department of Labor. The plan articulates the state's vision and goals, assesses the labor market, details strategies for improvement, and specifies performance measures.

Each state has the option of creating a "unified plan" incorporating up to fourteen separate federal programs for which individual plans are otherwise required. These programs are either mandated or optional One-Stop partners (see below).¹ The unified plan is intended to increase program coordination and avoid duplication of workforce development activities. It does not replace separate statutory program requirements or change the frequency or duration of planning for non-WIA programs. Twenty-one states have uniform plans approved. These states and the programs included in each plan are listed in Appendix A.

Each local WIB also must have a five-year strategic plan. Similar to the state plan, each local plan describes labor market needs, establishes priorities for the workforce investment programs, and designates strategies for continually improving performance. The local plan also details the integration of various federal, state, and local programs into the One-Stop delivery system.

Target Populations

Eligibility for WIA services is very broad. All adults eighteen and older must be able to receive core services through a One-Stop. If the need for intensive services and training exceeds available funding (as is likely the case), the state and/or local WIB must develop a system giving priority to recipients of public assistance and other low-income persons. Dislocated workers (including displaced homemakers) have a separate, dedicated funding stream.

Youth services are restricted to persons fourteen through twenty-one years old. Eligible youth must be low-income and have one of six specified barriers to employment. Thirty percent of funding must be spent on out-of-school youth.

¹ Although employment and training activities funded by the U.S. Department of Housing & Urban Development may be included in a unified plan, the separate planning requirements for HUD formula grants (including the consolidated plan) remain in force regardless.

Delivery System – One-Stops

The most visible feature of WIA is the creation of One-Stop Career Centers. The One-Stop is to be a single point of contact through which everyone in the community can gain access to employment and training services. There can be one or more One-Stops in each workforce investment area. The local WIB designates the One-Stop operators. The general rule is that local WIBs are planning bodies that do not operate One-Stops or provide other direct services, though it is possible to have this restriction waived by the governor.

Function

An early U.S. Department of Labor overview of WIA included this vision for One-Stops:

[A]t a single neighborhood location...[c]ustomers will be able to easily:

- receive a preliminary assessment of their skill levels, aptitudes, abilities, and support service needs
- obtain information on a full array of employment-related services, including information about local education and training service providers
- receive help filing claims for unemployment insurance and evaluating eligibility for job training and education programs or student financial aid
- obtain job search and placement assistance, and receive career counseling
- have access to up-to-date labor market information which identifies job vacancies, skills necessary for in-demand jobs, and provides information about local, regional, and national employment needs.

Through the "One-Stop," employers will have a single point of contact to provide information about current and future skills needed by their workers and to list job openings.

At least One-Stop must have all three tiers of WIA services (see below) at the same physical location.

Mandated Partners

WIA requires that certain program services be accessible through the One-Stop system. The mandated partners are:

- WIA-funded adult, dislocated worker, and youth programs
- Employment service
- Unemployment insurance
- Vocational rehabilitation services*
- Veterans employment and training

- Trade adjustment and NAFTA transitional adjustment assistance
- Adult education and literacy*
- Post-secondary vocational education (Perkins Act)*
- Older Workers Employment and Training Programs
- Welfare-to-Work (Department of Labor)
- Department of Housing & Urban Development employment and training programs²
- Community Services Block Grant employment and training activities
- Job Corps
- Youth Opportunity Grants
- Indian and Native American Programs
- Migrant and Seasonal Farmworker Programs

A state may mandate the participation of additional partners, including:

- TANF*
- Food Stamp Employment & Training
- School-to-Work
- Bureau of Apprenticeship and Training
- National and community service programs

** programs addressed in this guide*

Role of One-Stop Partners

WIA does not require that every partner be co-located at each One-Stop. Nonetheless, every partner must make its services available through the One-Stop system.

The membership of the local WIB must include representatives of each mandated partner. The WIB negotiates memoranda of understanding with the partners, describing the services to be provided through the One-Stop system, how the costs of those services and the operating costs of the One-Stop Career Centers will be financed, and the referral processes between the One-Stop operator and the partners.

² By agreement with the Department of Labor, HUD-funded formula grant programs (including CDBG) are not required One-Stop partners even if funds are used for employment and training activities. HUD takes the position that other HUD-funded programs should also be excluded from mandatory One-Stop participation if employment and training is neither a required nor the primary purpose of the funds. Youth Build is the program most often seen as a required One-Stop partner, though HUD has cited problems with applying WIA to Youth Build.

Programs

Adult Services

WIA envisions three tiers: 1) core services; 2) intensive services; & 3) training.

Core services include help with using the state employment information system and applying for other programs, career counseling, resume preparation, and job search and placement assistance.

Intensive services are for individuals who are unable to obtain a job through core services and include comprehensive and specialized assessments, development of employability plans, group and individual counseling, access to supportive services, and basic skills education.

Training may be provided for intensive services recipients who are unable to find jobs. The training must be directly linked to job opportunities in the local area. This may include occupational skills, on-the-job, and customized training.

Despite the sequencing implied in the three-tier system, local WIBs have flexibility in implementation. For example, if appropriate in the individual situation, someone could be enrolled in training immediately after an initial assessment (core service) and development of an employability plan (intensive service) without an intervening job search.

For program year 2002, the U.S. Department of Labor is providing states with grants totaling \$950 million for adult services (see Appendix B for state-by-state breakdown).³ States are not required to report on the total number of adults receiving WIA core or intensive services; however, in program year 2000, about 50,000 adults nationwide (not counting dislocated workers) received the most restrictive category of WIA service (training).

Individual Training Accounts

A significant new feature of WIA is the requirement that training normally be financed through individual training accounts (ITAs) established for eligible individuals. An ITA is essentially a voucher that the individual can use to buy services from any approved training vendor. ITAs replace what were typically class-based contracts with training providers under JTPA. Implementation of ITAs and the resulting changes in local training markets have been one of the most difficult WIA implementation challenges.

³ States are receiving an additional \$1.55 billion for dislocated worker services.

Exceptions to the ITA requirement may be made for employer-based customized and on-the-job training (with the employer providing a 50% match), rural areas with an inadequate market of training providers, and programs with proven effectiveness in serving special needs populations with multiple barriers to employment.

Youth Services

Youth services must link academic and occupational learning and constitute preparation for post-secondary educational opportunities or employment. Other required program elements include tutoring, dropout prevention, mentoring, and work experience. Grants to states for youth services for program year 2002 total \$1.28 billion (see Appendix B for state-by-state breakdown).

Performance Requirements

Under WIA, both states and localities are held accountable for program performance based on specified outcome measures. The U.S. Department of Labor negotiates state performance levels annually with each governor, who in turn negotiates annual performance expectations with the local WIBs and chief local elected officials. Required performance measures are:

ADULTS	Entered employment rate
	Employment retention rate (6 mos.)
	Earnings change (6 mos.)
	Employment & credential rate
DISLOCATED WORKERS	Entered employment rate
	Employment retention rate (6 mos.)
	Earnings replacement rate (6 mos.)
	Employment & credential rate
OLDER YOUTH (19-21)	Entered employment rate
	Employment retention rate (6 mos.)
	Earnings change (6 mos.)
	Employment & credential rate
YOUNGER YOUTH	Skill attainment rate
	Diploma or equivalent attainment rate
	Retention rate
CUSTOMER SATISFACTION	Participant satisfaction rate
	Employer satisfaction rate

States that fail to meet statewide performance goals are subject to penalties of up to 5% of federal funding. States that exceed expectations for both Department of Labor and Department of Education programs may receive additional incentive grants (see Appendix B for most recent incentive grant awards). Similar penalties and incentive payments apply to local workforce investment areas. Local WIBs that consistently fall short may be de-certified.

Training providers must submit information about completion rates, the percentage of participants who obtain unsubsidized employment, placement wages, and program cost. This information is made available to job seekers, employers, and the general public at One-Stops. To be eligible to provide services, training providers must meet or exceed minimum performance levels set at the state and local levels.

Sources For Additional Information

The U.S. Department of Labor Employment & Training Administration maintains a comprehensive Web site with information on WIA and related workforce development programs:

<http://www.doleta.gov/usworkforce/>

State WIA five-year strategic plans may be accessed at:

<http://www.doleta.gov/usworkforce/asp/planstatus.asp>

Statewide performance goals are available at:

<http://www.doleta.gov/usworkforce/performance/>

State annual reports (including actual vs. planned performance) for program year 2000 are available at:

<http://www.doleta.gov/usworkforce/documents/AnnualReports/>

Contact information for each state and for each local workforce investment area is provided at:

www.naco.org/programs/social/work/getstate.cfm

ADULT & VOCATIONAL EDUCATION & REHABILITATION – Department of Education

Overview

The U.S. Department of Education is responsible for administering several programs that address adult workforce training needs. Three statutes authorize large grants to states:

1. Adult Education and Family Literacy Act of 1998 (adopted as Title II of WIA);
2. Carl D. Perkins Vocational and Technical Education Act of 1998 (known as "Perkins III"); and
3. Rehabilitation Act of 1973 (including Rehabilitation Amendments of 1998 adopted as Title IV of WIA).

The Adult Education Basic Grants program assists states in providing literacy, high school equivalency preparation, and English as a Second Language services. Perkins III Basic State Grants fund vocational-technical training programs at both the secondary and post-secondary levels. The Vocational Rehabilitation State Grants and Supported Employment State Grants support state programs to prepare adults with disabilities for employment. Although administered by the Department of Education, these programs are all envisioned by WIA to be part of an integrated workforce development system.

Planning Requirements

One way in which WIA attempted to integrate employment, adult education, and vocational rehabilitation programs was through a state plan requirement. As part of WIA, state Adult Education & Family Literacy Act programs must have a five-year strategic plan. Perkins III has a separate four-year plan requirement for vocational-technical education programs. All of these can be stand-alone plans, or they can be included in the state "unified plan" described above. WIA also required states to submit strategic plans for their Vocational Rehabilitation Services Program and Supported Employment Services Program at the same time as the WIA five-year plan. These plans could be stand-alone or incorporated into a unified plan; these plans stay in effect indefinitely, subject to periodic state amendment.

As seen in Appendix A, of the twenty-one states with unified plans, fifteen include adult education & family literacy, seven secondary vocational education, nine post-secondary vocational education, and sixteen vocational rehabilitation.

State and Local Delivery Systems

The Basic Grants program under the Adult Education & Family Literacy Act provides funds to each state's education agency. The state is then responsible for funding local projects through sub-grants to a wide range of entities, including local educational agencies, post-secondary educational institutions, community-based organizations, and other non-profit organizations.

Perkins III Basic State Grants are made to state boards of career and technical education. The state must distribute at least 85% of the Basic State Grant to local educational agencies and post-secondary educational institutions. This often involves the state department of education or its equivalent. The state board of career and technical education is also responsible for submitting the five-year state plan (and any annual revisions) and for establishing a performance accountability system.

Each state designates a vocational rehabilitation agency to receive Vocational Rehabilitation State Grants and Supported Employment State Grants. The WIA framework is intended to promote collaboration and cooperation between the long-standing vocational rehabilitation systems and other workforce development activities. States are required to provide a 21.3% match for Vocational Rehabilitation State Grants (use of funds for facility construction requires a 50% state match).

Target Populations

Adult Education Basic Grants target adults and out-of-school youths aged sixteen and older who lack a high school diploma or the basic skills for effective workforce participation. The formula for allocating funds among the states is based on the number of persons over age sixteen who have not completed high school.

By funding a broad range of career and technical education programs, Perkins III Basic State Grants serve many different groups of youth and adults. States must ensure access to services by special needs populations. The allocation formula for Perkins III accounts for state populations in certain age groups and their per capita income.

The federally-supported vocational rehabilitation programs are for persons with physical or mental impairment that results in a substantial impediment to employment but who would benefit from vocational rehabilitation services. Priority is given to those with the most significant disabilities.

Programs

Adult Education

The principal programs supported by Adult Education Basic Grants to states are adult basic education (literacy, computation, communication, and problem solving), adult secondary education (preparation for GED or high school equivalency certification), and English as a Second Language. Services for adults with limited English proficiency are the fastest growing component of the adult education program.

The fiscal year 2002 appropriation for Adult Education Basic Grants is \$565 million (see Appendix B for state-by-state breakdown). There are more than 5,000 adult education programs nationwide, serving over 2.6 million adults in fiscal year 2001.

Vocational Education

Vocational-technical education involves preparing individuals for occupations that do not require a bachelor's or advanced degree. This includes associate (two-year) degree programs, high school vocational-technical programs, and a wide variety of certificate and other non-degree programs (including apprenticeships) offered by community colleges and other educational institutions.

Perkins III Basic State Grants fund many different activities related to vocational-technical education, including curriculum materials, occupation-specific equipment, learning labs, career counseling, remedial classes, and supplemental services for special populations. In program year 1999-2000, states allocated an average of 63% of Perkins III funds to secondary education and 37% to post-secondary activities.

The fiscal year 2002 appropriation for Perkins III Basic State Grants is \$1.15 billion (see Appendix B for state-by-state breakdown).

Vocational Rehabilitation

States use Vocational Rehabilitation State Grants to provide comprehensive services beyond those typically available in job training programs. This includes intensive job counseling, medical and therapeutic services, workplace evaluations, and provision of assistive technology. The Supported Employment State Grants program assists states with developing collaborative programs with non-profit organizations that will ensure provision of services to individuals with significant disabilities beyond the limited term of state support (usually eighteen months).

The fiscal year 2002 appropriations for the Vocational Rehabilitation State Grants and Supported Employment State Grants programs are \$2.46 billion and \$38 million, respectively (see Appendix B for state-by-state breakdown). The U.S. Department of Education estimates the annual number of job placements for persons with disabilities to be about 200,000.

Performance Requirements

As with the Department of Labor programs established under WIA, the Department of Education programs under both WIA and Perkins III have new accountability systems to assess effectiveness and optimize the federal return on investment. States must negotiate target performance levels for both adult education and vocational education programs with the Department of Education. However, the Department was unable to reach agreement with any state on Perkins III performance levels for the first program year (1999-2000), opting to use that year's performance as a baseline for establishing goals for subsequent years.

For adult education and family literacy programs, the required core indicators are:

- demonstrated improvements in literacy skill levels in reading, writing, and speaking the English language, numeracy, problem solving, English language acquisition, and other literacy skills;
- placement in, retention in, or completion of post-secondary education, unsubsidized employment, or career advancement; and
- receipt of a secondary school diploma or its recognized equivalent.

Achievement of basic academic skills is being measured largely by standardized tests. States may choose to identify additional indicators, but any additional indicators are not included in federal assessment of performance.

There are no sanctions for failing to meet targeted performance levels in adult education programs. However, exceeding adult education performance goals can qualify a state to receive WIA incentive grants (see Appendix B for the most recent incentive grant awards).

Perkins III specifies four core indicators for vocational-technical education, and additional subindicators have been developed:

STUDENT ATTAINMENT	Secondary academic attainment
	Secondary vocational & technical skill attainment
	Post-secondary academic attainment
	Post-secondary vocational & technical skill attainment
CREDENTIAL ATTAINMENT	Secondary completion
	Proficiency credential with secondary diploma
	Post-secondary degree or credential
PLACEMENT & RETENTION	Secondary placement
	Secondary retention
	Post-secondary placement
	Post-secondary retention
PARTICIPATION IN & COMPLETION OF NON-TRADITIONAL PROGRAMS	Participation in secondary non-traditional programs
	Completion of secondary non-traditional programs
	Participation in post-secondary non-traditional programs
	Completion of post-secondary non-traditional programs

For the non-traditional programs, participation is measured for all those who enroll in at least one vocational-technical education course. For the other programs, attainment is measured only for those students whose enrollment meets a state-defined definition of vocational concentration (no more than seven states are using the same standard, resulting in nineteen different concentration thresholds). Placement and retention goals apply to vocational concentrators who have attained the academic and technical skills for their program of instruction.

A state failing to meet the Perkins III performance levels must implement an improvement plan. A state that fails to implement an improvement plan, does not show improvement after one year of implementation, or fails to meet the performance levels for two or more consecutive years may have part or all of its Perkins III allotment withheld. Exceeding Perkins III performance goals can qualify a state to receive WIA incentive grants (see Appendix B for most recent incentive grant awards).

Sources of Additional Information

Some state adult education plans are available online. A directory is at:

<http://www.ed.gov/offices/OVAE/AdultEd/stateplans.html>

Examples of state adult basic education programs may be found at:

<http://www.ed.gov/offices/OVAE/AdultEd/adultbe.html>

Contact information for each state's adult and vocational education agencies is provided at:

<http://www.ed.gov/Programs/ERODmap.html>

A copy of the U.S. Department of Education's report to Congress on Perkins III performance for program year 1999-2000, including individual state data, may be downloaded (in Word) at:

<http://www.ed.gov/offices/OVAE/resource/vocedreport.doc>

A directory of state vocational rehabilitation offices is available at:

<http://www.jan.wvu.edu/SBSES/VOCREHAB.htm>

Resources on vocational rehabilitation and its relationship to the WIA system is provided at:

<http://ericacve.org/docgen.asp?tbl=tia&id=154>

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) – Department of Health & Human Services

Overview

TANF was created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, better known as the welfare reform law that ended Aid to Families with Dependent Children (AFDC) and related programs. TANF actually involves two funding sources: a \$16.49 billion⁴ annual federal block grant to each state (see Appendix B for state-by-state breakdown), and state funds allocated under a maintenance-of-effort (MOE) requirement that ensures states maintain their historical level of funding for this type of program (see Appendix B for state-by-state breakdown).⁵ The state MOE requirement is 75% of Fiscal Year 1994 state expenditures for AFDC and AFDC-related programs (which rises to 80% if the state fails to meet minimum work participation requirements).

The four purposes of TANF are to:

- 1) provide assistance to needy families;
- 2) end the dependence of needy parents by promoting job preparation, work, and marriage;
- 3) prevent and reduce out-of-wedlock pregnancies; and
- 4) encourage the formation and maintenance of two-parent families.

Although TANF is not explicitly an employment and training program, its focus on work participation and economic independence make it an integral part of state workforce development efforts.

Planning Requirements

Each state must submit a TANF plan to the U.S. Department of Health & Human Services every two years. The plan must address use of both the federal grant and the state MOE funds. Because it is a block grant program, TANF permits flexible program design, and TANF programs vary considerably among the states. Although each state accepting the grant must have a TANF program operating in all areas of the state, the program need not be uniform statewide. The state sets eligibility and benefit levels in the plan. If a state

⁴ Congress must reauthorize the TANF program in 2002. As of August 2002, Congress was considering different bills for reauthorization through fiscal year 2007. Some proposals (though none yet adopted by any committee or either house) would increase the annual block grant amount.

⁵ State MOE funds can also be spent for one or more separate state programs operated outside of the TANF program, provided they are consistent with the goals of the TANF legislation and the general requirements applicable to MOE. In fiscal year 2000, twenty-five states funded separate state programs.

had obtained federal welfare reform waivers prior to January 1, 1997, it can choose to continue operating its cash assistance program under those waivers until they expire.⁶ States could submit their TANF plan as part of a WIA unified plan; Alaska, Arkansas, Maryland, and Oregon utilized this option (see Appendix A).

State and Local Delivery Systems

The U.S. Department of Health & Human Services administers TANF, as it did AFDC. But at the state level, TANF administration has often been transferred out of its former location. In some cases, TANF is now administered by the same state agency that is responsible for WIA. State TANF programs are known by a variety of names (see Appendix C).

In thirty-seven states and the District of Columbia, the TANF program is directly administered by the state. In the remaining thirteen states, the TANF program is largely locally-administered (usually by counties) with varying degrees of state supervision. Forty states and the District of Columbia have uniform statewide provisions. In two of the states that are not uniform (Colorado and North Carolina), local discretion extends to eligibility and benefit amount.

The state TANF program is an optional partner in the WIA One-Stop system. In 2001, only four states did not provide at least some TANF work services through a One-Stop center. The majority of One-Stops in forty-four states have established at least informal linkages with local TANF programs. TANF programs were co-located in at least some of the One-Stops in thirty-nine states. Thirty-six states used TANF funds to support the operations and infrastructure of One-Stop centers in 2001.

Target Populations

The primary federal requirement is that states assist families with children. There are no federal income or asset limits. States must establish criteria for “needy families” and “needy parents”; however, programs to prevent and reduce out-of-wedlock pregnancies and encourage the formation and maintenance of two-parent families can serve both needy and non-needy persons. States can and do set different eligibility requirements for different TANF-supported programs. Some states provide services such as subsidized child care or transportation assistance to families with incomes up to 200% of the federal poverty level.

⁶ The longest-running of these waivers – for Tennessee – runs through June 30, 2007.

There are two restrictions on use of federal funds in TANF. No state may use federal funds to assist illegal immigrants or legal immigrants who have been in the U.S. for less than five years. States may use MOE dollars to serve recent immigrants, but fewer than half do. And federal funds cannot be used to pay assistance to an adult for more than sixty months for more than twenty percent of a state's caseload. Seven states have exercised the option to set a shorter lifetime limit on receipt of assistance. Conversely, twelve states are using state-only funds (or waiver authority) to exceed the federal time limit for adults and/or children.

Programs

"Assistance"

The most restrictive rules under the TANF program – including the work participation requirement, the sixty-month lifetime limit on benefits receipt, and federal data reporting requirements – apply only to "assistance"; namely, cash payments, vouchers, and other forms of benefits designed to meet ongoing basic needs whether or not conditioned on work. Transportation and child care aid for a family that is unemployed is also considered assistance. Assistance constitutes the bulk of what is traditionally considered "welfare", but it has represented a declining share of TANF spending. In fiscal year 2000, cash assistance totaled \$11.5 billion, or 51% of combined federal and state MOE TANF expenditures (down from 56% in fiscal year 1999). In December 2001, just over 2 million families nationwide (5.3 million persons) were receiving TANF assistance, sixty-three percent fewer than were at the most recent peak in March 1994.

Other Services

TANF funds may be spent on a wide range of supportive services designed to help families end dependence and obtain and retain employment. Activities funded by states through TANF (not constituting "assistance") include:

- job search, training, and placement
- wage subsidies to employers
- child care subsidies (for children of employed persons)
- improvements to child care quality
- transportation assistance (for employed persons), including transit passes, mileage reimbursements, and reverse commute system improvements
- adult basic skills education
- mental health and substance abuse diagnosis and treatment
- relocation costs for victims of domestic abuse
- refundable state Earned Income Tax Credit

- contributions to Individual Development Accounts
- security deposits and payments of back rent to prevent evictions
- weatherization and other home repairs
- teen pregnancy prevention
- parenting classes
- community youth grants
- outreach to promote availability of medical benefits, tax credits, Food Stamps, etc.

In fiscal year 2000, states reported spending \$10.3 billion in federal TANF and state MOE funds on non-assistance, including the following:

- child care ⁷	\$2,600,000,000
- work activities	\$2,300,000,000
- miscellaneous	\$1,800,000,000
- refundable tax credits	\$464,000,000
- transportation services	\$116,000,000
- two-parent family formation programs	\$113,000,000
- pregnancy prevention programs	\$102,000,000

States may also transfer up to thirty percent of their federal TANF funds each year to the Child Care Development Fund and the Social Services Block Grant Program. In fiscal year 2000, 8.2% of federal TANF funds were transferred to the Child Care Development Fund and 4.5% to Social Services Block Grant.

Performance Requirements

At least half of all families receiving TANF assistance in a state must be engaged in work activities, including at least ninety percent of all two-parent families. For single parents, the minimum engagement is twenty hours a week if there is a child under age six and thirty hours a week for other single-parent families (higher minimums apply to two-parent families).⁸ The minimum work participation rates may be lower if a state has reduced its caseload. In fact, for fiscal year 2000, thirty-one states had caseload reduction credits sufficient to drop their overall work participation requirement to zero.⁹

For purposes of the minimum work participation rates, at least twenty hours a week must be in "primary" activities, defined as paid or unpaid work (including

⁷ Increasing federal TANF funds designated for child care is a major issue in the Congressional debate about reauthorization. All major bills under consideration would provide some level of increase.

⁸ The TANF reauthorization bill proposed by President Bush and adopted by the House of Representatives in May 2002 would increase the minimum number of hours of work engagement to forty hours per week regardless of the age of the child.

⁹ Pending TANF reauthorization legislation would increase the work participation rates through fiscal year 2007 and restructure the caseload reduction credit.

on-the-job training, community service, or work experience), vocational educational training (for up to twelve months), job search (for up to four consecutive weeks or six weeks total), or providing child care for other participants. The remaining required hours can be "secondary" activities, which include the primary activities plus job skills training and other education related to employment.¹⁰

The following are the performance penalties that may be imposed by the U.S. Department of Health & Human Services:

PERFORMANCE FAILURE	PENALTY (as % of block grant)
Not meeting minimum work participation rates	5% in first year, plus 2% per year for consecutive failures; maximum 21%
Exceeding five-year limit on assistance	5%
Not meeting state MOE requirements	Based on amount on state under-spending
Not reducing grants for refusal to participate in work activities without good cause	1% - 5% (depending on degree of non-compliance)
Not maintaining assistance to single custodial parent when child under six cannot obtain child care	5%
Not submitting required data reports	4%
Not complying with paternity establishment & child support enforcement requirements	Up to 5%
Not participating in Income & Eligibility Verification System	Up to 2%
Not repaying a federal loan on time	Based on amount unpaid
Misappropriating funds	Amount misused, plus 5% of amount if misuse found to be intentional
Not replacing federal penalty reductions with additional state funds	Up to 2% additional

The total penalty assessed in a given year cannot exceed twenty-five percent of the block grant allocation.

A total of \$200 million a year is available to states in high performance bonuses. These are awarded to the top ten states ranked by performance in job entry and workforce success (measured by job retention rate and earnings gains) and by improvement in those two categories. Total performance bonuses cannot exceed five percent of the state's family assistance grant. For program year 2000, twenty-six states and the District of Columbia received performance bonuses (see Appendix B for most recent performance bonus awards). An additional \$100 million annually is available as a "bonus to

¹⁰ Pending TANF reauthorization legislation would increase the number of hours of primary activity to twenty-four and adjust the countable activities in both more and less restrictive ways.

reward decrease in illegitimacy ratio” to the five states with the greatest success in reducing out-of-wedlock birth rates (provided they also experienced a reduction in their abortion rates since 1995).¹¹

Sources for Additional Information

A directory of state TANF administrators is located at:

http://www.acf.dhhs.gov/programs/ofa/hs_dir2.htm

The Department of Health & Human Services’ April 2002 TANF Fourth Annual Report to Congress (containing information on state policies and programs) may be downloaded at:

<http://www.acf.dhhs.gov/programs/opre/ar2001/indexar.htm>

A Department of Health & Human Services guide on funding services for children and families through the TANF program may be downloaded at:

<http://www.acf.dhhs.gov/programs/ofa/funds2.htm>

¹¹ The TANF reauthorization bill that passed the House of Representatives in May 2002 would eliminate the out-of-wedlock birth bonus and cut the high performance bonus in half. The bill passed by the Senate Finance Committee in June 2002 would eliminate both bonuses.

OPPORTUNITIES LINKING CDBG & WORKFORCE DEVELOPMENT

Even though there is considerable overlap in the target populations of CDBG and the major federal workforce development programs, the systems are usually quite separate. This is especially true in the CDBG small cities program. However, there are opportunities that can be pursued at both the state and local levels.

Assessment of Potential

The first step for CDBG administrators interested in exploring connections with workforce development programs is to become informed about the other state systems. The following checklists indicate the information that would most useful in assessing the potential for collaboration and/or partnership.

Workforce Investment Act

- State agency administering WIA
- Name of state Workforce Investment Board
- Membership of state Workforce Investment Board
- Programs included in state plan
- State target performance levels
- State reports to U.S. Department of Labor
- Workforce investment areas
- Names of local Workforce Investment Boards and local contacts
- Local One-Stop operators and locations
- Roles of each mandated partner in local One-Stops
- Major initiatives planned by local Workforce Investment Boards
- Vendors under contract to provide training services
- Methods used for implementing Individual Training Accounts

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Adult & Vocational Education & Rehabilitation

- State agencies:
 - education agency (for adult education programs)
 - board of career and vocational education (Perkins III recipient)
 - agency for vocational rehabilitation
- State plans (may or may not be included in state WIA plan):
 - adult education and family literacy
 - secondary vocational-technical education
 - post-secondary vocational-technical education
 - vocational rehabilitation
- Breakdown of roles and financing between secondary and post-secondary vocational-technical education
- State target performance levels
 - adult education
 - vocational education
- State reports to U.S. Department of Education
- Other state funding for adult & vocational education & rehabilitation
- Community or technical college districts
- Names of local contacts
 - education agency boards and administrators (school districts, etc.)
 - community or technical college boards and administrators
 - vocational rehabilitation offices
- Program contractors and areas of operation
 - adult basic education
 - high school equivalency preparation
 - English as a Second Language
 - vocational-technical education
 - vocational rehabilitation
 - supported employment

Temporary Assistance for Needy Families

- State agency administering TANF
- State TANF plan
- State funding in excess of MOE requirement
- Transfer of TANF funds to Child Care Development Fund and Social Services Block Grant
- State and local division of TANF administrative roles & responsibilities
- State reports to U.S. Department of Health & Human Services
- Income and resource (asset) eligibility limits for TANF programs
- Assistance and non-assistance programs funded through TANF
- Any separate state program
- Degree of coordination and service co-location in One-Stop centers

Planning

At the state level, there is the opportunity for joint or coordinated planning. As shown in Appendix A, Alaska included CDBG in its WIA state unified plan.

State guidelines for the CDBG program can encourage joint planning and coordination at the local level. State agencies can develop and disseminate examples of eligible uses of funds that meet the common goals of CDBG and one of more of the workforce development programs.

Programmatic Assets

It is also useful to analyze how current and planned CDBG activities could be more successful by linking to the key assets of the workforce development system. The following are examples of what the state agencies receiving federal workforce funds can offer.

Workforce Investment Act

- connections to existing businesses whose support and involvement may be needed for current and planned community development projects
- human resources support for new businesses connected to economic development projects

- contacts with individuals and intermediary organizations in low and moderate-income communities
- opportunities for low-income residents to increase earned income through new or better jobs and enhanced career ladders

Adult & Vocational Education & Rehabilitation

- links to school districts with programs targeted to special needs populations
- links to community college boards, administrators, faculty, and students
- funding for adult education and basic skills programs
- service support in communities with limited numbers of English speakers
- contacts with individuals with disabilities and the organizations that serve them
- ability to support structured-work environments in conjunction with economic and neighborhood development projects
-

Temporary Assistance for Needy Families

- planning grants for local residents to use in addressing needs of neighborhood TANF population
- funding for micro-enterprise development
- funding for planning, development, and implementation costs for community development corporations that will employ TANF recipients
- business loans to small companies that will hire and train TANF recipients
- subsidies to assist individuals that can support operating costs of child care, transportation, and other community facilities
- networking with wide range of service providers in low and moderate-income communities
-

Community Development Activities

Public Service -- Generally

If a state has CDBG funding available for public service activities, there are a variety of workforce development activities that could be pursued. These include adult education and basic skills (including literacy and high school equivalency preparation), English as a Second Language, general and occupationally-specific job training, and subsidized child care operations. If

coordinated with local WIBs, school boards, or community and technical colleges, CDBG funding for these activities could fill gaps and create synergy. This is especially true in geographical areas receiving relatively limited WIA resources.

Public Service -- Supporting Training Infrastructure

As outlined above, WIA has significantly changed the funding mechanism for training providers. Rather than contracting directly with the funding source, providers must now attract individuals with vouchers. The resulting uncertain revenue stream threatens the viability of some providers. This is particularly true with smaller, community-based organizations.

CDBG funds can shore up the training infrastructure in various ways. Most basically, grants can be used to provide administrative and operational support to eligible organizations.

A more sophisticated approach would be to use CDBG dollars to guarantee funding for training slots. If a grant-supported provider is unable to meet minimum class enrollment through WIA-funded vouchers, the training class can continue with low and moderate-income students in CDBG-funded slots. The performance information on training providers collected by the local WIB can help target these guarantees where they are most likely to be effective.

Housing & Public Infrastructure

CDBG can bring housing and public infrastructure resources to the table for targeted populations or neighborhoods. For example, in areas with a significant number of migrant and seasonal farm workers, the WIA and adult and vocational education systems usually have specific programming. The CDBG system can link up to help improve living conditions and enhance the likelihood of positive outcomes for all programs.

Economic Development

CDBG is often one of the lead sources of funding in business attraction, retention, and expansion projects. The success of these economic development ventures can be greatly enhanced through formal links to the WIA and vocational-technical education systems. One-Stop Career Centers can be very useful in recruiting and pre-qualifying employees, creating customized pre-employment training, and developing skills enhancement programs for incumbent workers. Community and technical colleges can provide training and business development assistance.

A specific example from Gloucester County, New Jersey is instructive. The CDBG program there has delegated all of the employment aspects of a

Section 108 economic development project to the local One-Stop operator. Rather than struggling to find employees to fulfill the project's job creation obligations, the CDBG office and the business have created a link to the local system specifically equipped for that purpose. Moreover, the One-Stop operator has increased the likelihood of achieving its performance goals through the specific employer link.¹²

Capital Funding

CDBG capital funding may be useful in other ways. In areas pursuing a One-Stop strategy of physical co-location for workforce service delivery, capital assistance could enhance that approach and help ensure that local CDBG interests are considered in facility operations. Helping to support the construction or infrastructure costs of vocational training or supported employment sites can be another opportunity for cross-program synergy.

Child care facilities are even more likely to be needed. These could be associated with a One-Stop, placed in an area from which the local WIB is drawing many clients, associated with an adult education location, linked to an economic development project, or tied to employer-led training and employment activities. The local WIB and the TANF program may be able to help support operation of these child care centers through subsidizing client fees.

CONCLUSION

Although they are both focused on the needs of low-to-moderate-income households, the workforce development and community development systems rarely pursue coordinated planning or programming. This is unfortunate. The unique resources each system offers can only be enhanced by collaborative endeavor. Rather than placing additional demands on each system, this kind of cooperation creates a synergy that helps each achieve its objectives.

Community development administrators and other professionals have fertile ground with which to work. Learning about the other federally-funded programs, assessing state and local implementation, and testing opportunities for joint work are likely to result in significant programmatic and community benefits. It is time well spent.

¹² For more information, contact Robert Broughton at Gloucester County, (856) 384-6970.

APPENDIX C

NAMES OF STATE TANF PROGRAMS

STATE	NAME
Alabama	FA (Family Assistance Program)
Alaska	ATAP (Alaska Temporary Assistance Program)
Arizona	EMPOWER (Employing and Moving People Off Welfare and Encouraging Responsibility)
Arkansas	TEA (Transitional Employment Assistance)
California	CALWORKS (California Work Opportunity and Responsibility to Kids)
Colorado	Colorado Works
Connecticut	JOBS FIRST
Delaware	ABC (A Better Chance)
Dist. of Col.	TANF
Florida	WAGES (Work and Gain Economic Self-Sufficiency)
Georgia	TANF
Guam	TANF
Hawaii	TANF
Idaho	Temporary Assistance for Families in Idaho
Illinois	TANF
Indiana	TANF - cash assistance, IMPACT (Indiana Manpower Placement and Comprehensive Training) - TANF work program
Iowa	FIP (Family Investment Program)
Kansas	Kansas Works
Kentucky	K-TAP (Kentucky Transitional Assistance Program)
Louisiana	FITAP (Family Independence Temporary Assistance Program) - cash assistance, FIND Work (Family Independence Work Program) - TANF work program
Maine	TANF - cash assistance, ASPIRE (Additional Support for People in Retraining and Employment) - TANF work program
Maryland	FIP (Family Investment Program)
Massachusetts	TAFDC (Transitional Aid to Families with Dependent Children) - cash assistance, ESP (Employment Services Program) - TANF work program
Michigan	FIP (Family Independence Program)
Minnesota	MFIP (Minnesota Family Investment Program)

Mississippi	TANF
Missouri	Beyond Welfare
Montana	FAIM (Families Achieving Independence in Montana)
Nebraska	Employment First
Nevada	TANF
New Hampshire	FAP (Family Assistance Program) - financial aid for work-exempt families, NHEP (New Hampshire Employment Program) - financial aid for work-mandated families
New Jersey	WFNJ (Work First New Jersey)
New Mexico	NM Works
New York	FA (Family Assistance Program)
North Carolina	Work First
North Dakota	TEEM (Training, Employment, Education Management)
Ohio	OWF (Ohio Works First)
Oklahoma	TANF
Oregon	JOBS (Job Opportunities and Basic Skills Program)
Pennsylvania	Pennsylvania TANF
Puerto Rico	TANF
Rhode Island	FIP (Family Independence Program)
South Carolina	Family Independence
South Dakota	TANF
Tennessee	Families First
Texas	Texas Works (Department of Human Services) -cash assistance, Choices (Texas Workforce Commission) -TANF work program
Utah	FEP (Family Employment Program)
Vermont	ANFC (Aid to Needy Families with Children) - cash assistance, Reach Up - TANF work program
Virgin Islands	(FIP) Family Improvement Program
Virginia	VIEW (Virginia Initiative for Employment, Not Welfare)
Washington	WorkFirst
West Virginia	West Virginia Works
Wisconsin	W-2 (Wisconsin Works)
Wyoming	POWER (Personal Opportunities With Employment Responsibility)

SOURCE: U.S. Department of Health & Human Services (<http://www.acf.dhhs.gov/programs/ofa/tfnames.htm>)