



1133 Nineteenth Street, NW, Suite 400, Washington, DC 20036
T: (202) 682-0100 F: (202) 289-6555 www.aphsa.org

Reggie Bicha, President

Tracy L. Wareing, Executive Director

House of Representatives

Committee on Ways and Means

Subcommittee on Human Resources

Hearing

Subsidized Jobs and Their Effectiveness in Helping Families Go to Work and Escape Poverty

July 30, 2014

Letter Submitted by

American Public Human Services Association (APHSA)

Tracy Wareing, Executive Director

and

National Association of State TANF Administrators (NASTA)

Todd Bland, Chairman

Contact: Cynthia Woodside, (202) 682-0100, x235, cwoodside@aphsa.org

August 20, 2014

The Honorable Dave Reichert
Chairman, Human Resources Subcommittee
House Ways and Means Committee
Washington, DC 20515

Dear Chairman Reichert:

Thank you for the opportunity to provide information for the July 30, 2014, Human Resources Subcommittee hearing on "Subsidized Jobs Programs and Their Effectiveness in Helping Families Go to Work and Escape Poverty."

The American Public Human Services Association (APHSA) and its affiliate, the National Association of State TANF Administrators (NASTA), respectfully submit this letter outlining the experiences of states in implementing subsidized jobs programs funded through the American Recovery and Reinvestment Act of 2009 (ARRA) (P.L. 111-5).

Flexibility

At the time, revenue in the majority of states was in steep decline and many states were experiencing increases in their Temporary Assistance for Needy Families (TANF) caseloads. The states welcomed the \$5 billion contained in ARRA's TANF Emergency Contingency Fund (ECF) to help address the increased need. The three options in the use of the funds were important for states to tailor the funding to meet the needs of families in their communities. Of the total, approximately 30 percent, or \$1.5 billion, was expended on subsidized employment.

Flexibility in the use of new or existing funding is important to a state's ability to determine how best to address the individual needs of its TANF population, provides states with opportunities to experiment and innovate with programs and service delivery, and is in keeping with the original promise and hallmark of the TANF block grant.

Time

Given the short timeframe states were given to implement subsidized jobs programs, the results were impressive. In just two years, 40 states placed over 260,000 youth and adults in subsidized jobs. States that had existing subsidized employment programs in place had a head start over states which worked to create new programs. In states beginning programs, time was needed for creating the administrative infrastructure, designing the program, determining the target population, developing the wage subsidy structure and support services, securing matching funding (which in some states required legislative action), recruiting and nurturing relationships with employers, creating a valid evaluation process, and more. Due to the time constraints, many states fell short of their original placement goals.

States learned a number of lessons in implementing subsidized employment programs through the ECF and many admit they would do things differently if afforded another opportunity in the future.

According to states, one important factor in increasing future success is to provide more time. Over the two year time-frame, few state programs were in operation for more than a year, and the majority for fewer than 12 months. Additional time is needed both on the front-end for creating the program infrastructure and recruiting employers and on the back-end for providing sufficient time for participants to develop job skills and increase labor force attachment, and for employers to make meaningful determinations about retaining workers after the subsidy ends.

Funding

Another critical aspect of the ECF funding was that it represented a much needed infusion of new money. States contributed under the matching requirement, but the federal contribution was key to the ability of states to provide the services and supports necessary to help TANF recipients move into gainful employment and independence. Today, states find it increasingly difficult to provide the necessary level of support due to the 30 percent loss in the value of the original \$16.5 billion TANF block grant, the elimination of the \$619 million in TANF supplemental grants, and the decrease to \$612 million in the current TANF contingency fund.

A clear indication of the shrinking funding is that even given their promise, when the ECF funding was exhausted, some state subsidized job programs were ended and others were continued, but at a reduced level.

States have concerns that additional federal dollars may not be available in the future for smaller downturns, regional economic losses, or increases in population that TANF's supplemental and contingency funding streams were originally designed to address.

APHSA and NASTA

Founded in 1930, APHSA is a nonprofit, bipartisan membership organization composed of top executives of state and local human service agencies and their key state program managers. APHSA has nine affiliates, which include members who administer program-level and system-support operations in the states and counties. The NASTA affiliate, comprised of state and local TANF administrators and their staff, is committed to developing, implementing, and evaluating TANF programs that are responsive and accountable to the needs of the communities and people they serve.

For the past few years, APHSA, NASTA, and other affiliates have been actively engaged in implementing *Pathways: The Opportunities Ahead for Human Services*, which is our members' policy and practice agenda for transforming the present health and human service delivery system. *Pathways* envisions an integrated, holistic system that is more efficient and effective, person- and family-centered, and focused on sustainable outcomes.

For more information on *Pathways* or the states' implementation of subsidized jobs, please contact Cynthia Woodside, senior policy associate for economic supports and NASTA liaison, at cwoodside@aphsa.org or 202-682-0100.

Sincerely,



Tracy L. Wareing
Executive Director, APHSA

Sincerely,



Todd Bland
Chairman, NASTA