

Subcommittee on Income Security and Family Support  
Committee on Ways and Means  
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Testimony

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Kentucky's future economic success rests upon its ability to improve the education of our population. In its agenda for the future, The Kentucky Council on Postsecondary Education notes the following:

*"According to an analysis of U.S. Census projections, Kentucky will need nearly 800,000 working-age adults with a bachelor's degree or higher to match the projected national average in 2020; in 2000 we had only 402,000. Over the next 15 years, we need to nearly double the number of Kentuckians ages 25-64 with at least a four-year degree."*

*(Better Lives for Kentucky's People, A Public Agenda for Postsecondary and Adult Education, 2005 – 2010, Kentucky Council on Postsecondary Education.)*

To meet this ambitious goal, we must encourage every adult in the state to pursue higher education and provide the necessary supports to help them succeed. That includes our TANF population which has lower education levels than our citizenry as a whole. We acknowledge that higher education is not the choice for everyone, but we also do not believe that low-income parents should automatically be denied the opportunity to improve their long-term employment prospects. Helping TANF recipients to prepare for higher paying jobs is a win-win for everyone. There is clear and convincing evidence that children fare far better in stable families with higher incomes. And, when we prepare our TANF recipients for better jobs, we rarely see them return to our offices because they are able to completely manage on their own, saving the state and federal government money over the long-term.

Kentucky ranks 46th in the nation for the number of adults with baccalaureate degrees, has an overall college-going rate of 62 percent and an adult college participation rate of 3.6 percent. Kentucky also has one of the highest poverty rates in the country. The state TANF program is

known as the Kentucky Transitional Assistance Program (K-TAP) and in June 2009 Kentucky had 42,719 TANF/K-TAP recipients and 24% (10,362) of them were adults. Thirty-seven percent of the adult K-TAP recipients had less than a high school credential and 62% had a high school credential or GED but no college. These data remind us every day of the importance of pursuing a TANF education strategy.

Recognizing the link between education and the future economic strength of our state, in 1998 the KY Community and Technical College System (KCTCS) partnered with the KY Cabinet for Health and Family Services (the state TANF agency) to focus a significant portion of our TANF efforts and resources on supporting low-income parents in pursuit of postsecondary credentials that would lead to family sustaining wages. The resulting eleven year collaboration is known as *Ready to Work* and supports TANF participants as they work toward certificates, diplomas and associate degrees in Kentucky's community and technical colleges.

Kentucky's Ready to Work (RTW) initiative serves approximately 2,000 TANF participants annually and represents a \$10.7M commitment of federal TANF funds in FY 2010, of which \$7.7M is earmarked for TANF-funded work study. As a result, the college enrollment of Kentucky's K-TAP population is approximately 8.7% which exceeds the 3.6% of the statewide adult population engaged in postsecondary education. While our eleven years of experience has taught us that our focus on education is right for the families that we serve and for our state and for the nation as a whole, it also means that we are exceeding the 30% federal limitation on the number of TANF clients a state can serve in the vocational education component. In 2009 this caused the state participation rate to be reduced by 5%, falling below the federal expectation and putting us at risk for financial penalties.

The data on our program speaks for itself. A 2004 longitudinal study conducted by the Kentucky Legislative Research Commission, Program Review and Investigations Branch found that participants in Job Skills Education and Vocational Training (the TANF activities that represent the RTW students) had the highest "entering employment" rates, the highest percent still employed after four quarters, and the highest average annual wage (by more than \$3,500 in the Job Skills Education component) of those employed for four quarters (see Attachment A). This legislative program review concluded:

***"Because work-related higher education clearly leads to increased income and financial security, DCBS (Department for Community Based Services, KY Cabinet for Health and Family Services; Kentucky's state TANF agency) should consider whether it is feasible to include more clients in this category."***

(KY Legislative Research Commission Program Review and Investigations, KY LRC Research Report No. 32, June 2004)

Trusting the research and evidence that education pays and is critical to the future economic strength of our state, in 1998 the Kentucky Legislature enacted House Bill 434 which allowed K-TAP/TANF participants up to 24 months of vocational education/postsecondary education, continued supportive services including transportation and child care to clients who volunteered to pursue postsecondary education and directed the state TANF agency to inform participants of the education option, honor requests to self-initiate, and report annually to the Legislative Review Commission on the education and training outreach efforts and vocational education/college take-up rate of the K-TAP clients. In 1999 the KCTCS Ready to Work program was implemented along with several similar but smaller initiatives at Kentucky four year colleges and universities.

Ready to Work does not channel TANF clients through a predetermined or specially designed curriculum. Instead, TANF clients are enrolled in the college's existing certificate, diploma and associate degree programs and have the same program opportunities and choices available to all KCTCS students along with access to federal and state aid including PELL grants to pay tuition costs. The TANF investment is in case management; the elevated level of career and academic counseling, advising and support along with a TANF-funded paid work study opportunity. A 2007 snapshot of RTW graduates demonstrates that 52% of them enrolled in programs and earned certificates, diplomas and associate degrees in Nursing and Allied Health fields, followed in popularity by Human Services/Social Work (8%), Early Childhood Education/Child Care Provider (6%), Data Entry/Information Technology (6%) and Criminal Justice/Law Enforcement (5%).

Ready to Work recruits, retains and supports K-TAP students in community and technical college programs through two primary program components. Intensive education- focused case management which includes aggressive counseling, advising, mentoring and advocacy and a voluntary TANF-funded work study component. The latter has become an increasingly important component of our program as we need to have students working to meet our TANF work participation requirement. The current RTW contract supports 22 campus-based RTW Coordinators across 16 community and technical colleges with 68 campuses statewide and a system level coordinator. The 22 campus-based RTW Coordinators work closely with the local TANF/K-TAP offices and case managers who determine eligibility and refer clients. In some cases the RTW Coordinator is a standard part of the TANF intake process and has an opportunity to recruit and advise incoming TANF applicants of the educational, work study and other RTW services and opportunities available. This collaboration has evolved in some cases to include K-TAP staff housed at the college and RTW staff housed at the K-TAP office to increase the seamlessness of services and referrals.

The RTW Coordinators assist RTW students in navigating the state TANF bureaucracy and accessing all TANF supportive services for which they may be eligible, including transportation and child care. Additionally they advocate for these students on campus and help them to navigate the assessment and placement process, financial aid application process, scheduling, purchasing of textbooks, and assist them in accessing all academic and student supportive services available to increase the odds for their persistence and success. The Coordinators also connect and refer students to community based agencies and partners for supportive services to remove barriers to their success in college.

All RTW students receive career counseling and employability skills training and the RTW Coordinators help students find and maintain a TANF-funded work study job. RTW participants often start their work study experience on campus or in a public sector placement and are moved off campus and into private sector placements as their employability skills progress. The RTW Coordinators function as a job coach and mentor for students in these work study placements. An off-campus private sector work study placement is expected to directly support the students program of study and career goals. TANF work study wages range from the \$7.25 per hour minimum wage to as much as \$8.25 per hour to align with the employment market and federal work study wages at the colleges. RTW Coordinators assist students to access and integrate any federal work study for which they might be eligible with their TANF-funded work study. In the fall 2009 semester 59% of Ready to Work students participated in TANF-funded work study and 19% participated in federal work study with some students qualifying for both. TANF-funded work study placements serve many purposes including a supportive work environment and income opportunity that can be adjusted to accommodate a fluctuating college class schedule. The TANF-funded work study placements are resume and skill building opportunities that make classroom instruction more relevant; provide transitional jobs and exposure to employers who often transition the students into unsubsidized employment, while providing income supplementation for the family that is disregarded by the state TANF agency.

The combination of work and education activities has become an important component of the Ready to Work Program as states struggle to meet participation rates and Kentucky has recently applied for TANF Emergency Contingency Funds made available through the American Recovery and Reinvestment Act (ARRA) to assist in supporting a “fully funded RTW work study component”. Per federal statute, only 30% of a state’s TANF caseload may participate in vocational education activities and count towards the state participation rate. This includes not only those attending postsecondary institutions, but also teen parents who are attending high school or pursuing their GED. Through this RTW education initiative, Kentucky has exceeded the 30% cap several times, effectively reducing the states participation rate from 1% to 5%. Since Kentucky was notified that we had exceeded our 30% cap on vocational education

placements in FY2009, a recent increase in RTW work study resources will support a 20-30 hour per week work study placement and allow Ready to Work students to meet the core work requirement and be counted as a Job Skills Education activity or as an employment activity rather than in the very limited vocational education cap.

A 2002 study of Ready to Work students conducted by the University of Louisville's Kent School of Social Work concluded that Ready to Work students are more likely to reside in Appalachia (54.6%) with urban areas underrepresented (24.7%). Their average age at intake is 28.3 years and they are 94% female and 82% white. When compared to Kentucky's overall K-TAP caseload RTW students tend to have fewer but younger children and have less work experience but more high school credentials (68.8%) when they enter the RTW program. They report a greater incidence of domestic violence but have lower incidents of substantiated child abuse and neglect. When the RTW students enter Kentucky's Community and Technical College System 93% of them are not college ready and require remediation in one or more areas. This means they can spend three semesters or longer taking remedial/developmental education courses that do not count toward degree completion. And against almost insurmountable odds and multiple barriers, these RTW students have a statewide grade point average equivalent to the rest of the KCTCS student population and their retention rates have been consistently and significantly higher since the 1999 program implementation. For example the Fall 2006 to Fall 2007 retention rate of RTW students was 70% while the statewide retention rate for KCTCS students was approximately 54%.

The RTW program serves single mothers like Angela who in 2006 entered the nursing program at one of Kentucky's community and technical colleges after spending a year working toward improving her basic skills at the college's adult basic education program. At the time Angela had three children ages 4, 8 and 12 years but she had lost custody of her two oldest children. Angela connected with the Ready to Work Coordinator at her campus and took advantage of TANF-funded work study placements at the local Even Start and Family Education Programs during which time she also regained custody of all three of her children. In 2009 Angela graduated with an associate degree in nursing and went to work as a registered nurse at the local hospital. Angela is still working at this hospital and is supporting her family on a registered nurses salary that exceeds the income of both her RTW Coordinator and her work study supervisor.

RTW sometimes serves custodial fathers like Steven who in 2004 found himself divorced with custody of his two young children. Steven quickly realized that over the road truck driving and single parenting were not a good fit and connected with a KCTCS Ready to Work program in 2005 when his children were 5 and 7 years old. Steven also spent some time improving his

basic skills at no cost in the college's adult basic education program before enrolling and receiving an associate degree in Spring 2009 with a 3.8 grade point average. While Steven was working toward his associate degree, he supplemented his K-TAP/TANF income with a TANF-funded work study placement at the local nonprofit organization Child Watch: Court Appointed Special Advocates Office. Through this work study placement he connected with the local Family Support Office where he was hired upon graduation as a case worker. Steven wanted to share this...

*"Thanks to the benefit of having a college degree my wages are approximately \$10,000 more yearly than the job I was performing prior to returning to school. For the first time since the birth of my children I will have the money and the actual benefit of paid vacation time to take us all on a family vacation. I have since become a first time home owner, and we have purchased a long overdue newer vehicle, and my kids and I have some security along with medical insurance, and retirement. I can hold my head high and know that I set a proper example for my children as to what it takes to achieve your goals, and the fact that they too can do it if they really want to and make the proper choices and work hard. The payoff in the long run is worth the sacrifices."*

In FY 2004 Ready to Work was expanded to reach out to students like Angela and Steven who either lack a high school credential/GED or need basic skills remediation to meet the college readiness standards and move directly into college level classes and programs. *Work and Learn* Coordinators identify prospective Work and Learn students from within the TANF population and the existing adult education population, connect them to relevant programs, coordinate with TANF agencies to ensure that they receive necessary support services, and transition them into postsecondary education and Ready to Work. Work and Learn students also receive TANF-funded work study placements supported by the Work and Learn Coordinators.

Given Kentucky's public policy agenda aimed at doubling the numbers of adults with at least a bachelor's degree by 2020, and the mounting evidence that Job Skills Education and Vocational Education have led to increased employment and wages for the K-TAP population, the Kentucky Cabinet for Health and Family Services and the Kentucky Community and Technical College System persist in their efforts to operate an education based TANF program within the context of federal work-first legislation. However, this is not without its challenges.

Ready to Work began in 1999 as clearly an education focused initiative with TANF clients frequently spending up to 24 months as full time college students without imposing an additional work requirement. Work study was an option to increase the RTW student's income and build their resume. The Deficit Reduction Act of 2005 that reauthorized TANF, effectively increased the work participation rate targets for states and imposed a new and demanding requirement that all hours of participation be extensively verified and documented. The

increased participation requirement in effect negates the opportunity for K-TAP clients to attend college as a standalone activity beyond the first 12 months of countable vocational education. Ready to Work Coordinators are forced to advise more full-time students and single parents into 20-30 hour per week work study jobs regardless of their class and parenting schedules and commitments. RTW Coordinators are frequently at odds with their federal work study counterparts on campus who cite research and recommendations that anything beyond 10-15 hours per week of work study negatively impacts the student's academic performance, persistence and success. The new attendance verification and documentation requirements have proven so burdensome that TANF case managers are less likely to refer clients to education activities in general and college in particular. Additionally, as previously mentioned, in 2009 Kentucky exceeded the federal 30% cap on vocational education participation which has caused as much as a 5% reduction in our statewide participation rate.

As a result of Kentucky's persistence to stay the course with an education strategy that works, Kentucky is struggling to meet TANF participation requirements, to remain within the 30% vocational education cap and to document student's participation in postsecondary education and training which will provide the best possible long range and sustainable outcomes for our TANF/K-TAP population.

In spite of the struggles that we face in making education work for TANF recipients, we continue to believe – and have mounting evidence to support our beliefs – that TANF recipients should not be denied the opportunity to pursue higher education. Their success will lay the foundation for greater success for their children. Kentucky and the nation as a whole face a formidable challenge in creating an educated workforce that will ensure a prosperous future for us all. We cannot afford to restrict access to opportunity for anyone – and should not single out TANF recipients because they need help caring for their children while they build a long-term economically secure future for their families.

There are several changes to the TANF work requirements that would allow us to encourage more TANF recipients to pursue higher education which would in turn further TANF's role as a poverty-reducing program. These include:

- Remove the 12 month limit on vocational education as a countable activity or extend it to at least 24 months so individuals have the ability to focus on their education and not create an additional barrier to achieving success.
- Eliminate the existing 30% cap on participation in vocational education and/or remove teen parents from the vocational education cap.
- Eliminate the distinction between core and non-core activities.

- Allow adult basic education (ABE/GED) participation as a countable core activity when delivered as a bridge to vocational education. (This will allow TANF clients an opportunity to improve their basic skills and earn the GED in preparation for college level coursework at little to no cost rather than forcing them to paying college tuition rates for remedial/developmental education courses that do not count towards graduation).
- Eliminate the burdensome postsecondary attendance verification and documentation requirements and replace them with the standard postsecondary “satisfactory progress” requirement. This would enable a TANF student’s participation in vocational education to be measured and judged by the same standards that apply to all of the other students in the same course of study.
- More broadly revisit the performance measurement scheme in TANF so that states are measured on outcomes in terms of improved employment and earnings achieved at a later time. This approach would encourage states to use education and training that produces these outcomes over other strategies that do not.
- Extend and expand the TANF Emergency Contingency Fund to deliver innovative and quality paid work experience opportunities like the Ready to Work work study component.

## Employment Outcomes for Kentucky Works Activities

Kentucky Works Activity	Percent Included in DES Data	Percent Employed Four Quarters	Annual Wages for Those Employed Four Quarters
Employment	73.9	24.0	\$11,380
Vocational Training	70.2	21.3	\$13,063
Community Service	53.4	17.2	\$11,448
Job Search and Readiness	69.1	22.1	\$11,890
Work Experience	63.6	20.9	\$10,288
Education without HS Diploma	65.9	18.5	\$ 9,156
Job Skills Education	79.8	30.2	\$16,646
Other Work Preparation Activities	51.6	13.8	\$11,392
No Activity	56.7	13.3	\$12,206

**Source:** Program Review staff analysis based on data from the Department for Community Bases Services and the Department for Employment Services; June, 2004