



Statement for the Record

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June 25, 2015

United States House Committee on Ways and Means

Subcommittee on Human Resources

Subcommittee on Nutrition

*How Our Welfare System Can Discourage Work*

Chairman Charles W. Boustany  
Subcommittee on Human Resources  
United States House of Representatives  
Washington, D.C. 20515

Chairman Jackie Walorski  
Subcommittee on Nutrition  
United States House of Representatives  
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Chairman Boustany and Chairman Walorski:

Thank you for the opportunity to speak before the committee today. I would also like to thank the House Ways and Means Chairman Paul Ryan, and the rest of the distinguished committee members. My name is Marsha Netus, I am the Vice President and General Manager of America Works of Maryland, Inc. It is a pleasure to be able to testify before you today.

America Works was founded in 1984 and was the first for-profit company dedicated to helping individuals become self-sufficient through employment and retention services. Founder Peter Cove and President and CEO Dr. Lee Bowes made it their life mission to improve workforce development programming by connecting socially deemed hard-to-serve jobseekers with private sector employment. In 1997, the Maryland office - located in downtown Baltimore - was opened with the goal to help long-time welfare recipients find unsubsidized employment. Since then, the Maryland office has expanded its services to assist even harder to serve populations such as violent ex-offenders who have been incarcerated for at least one year, long term SSI or SSDI beneficiaries, disabled Veterans, and youth aging out of foster care. Collectively, we have placed over 10,000 people into stable employment. Our networks of employers rely on us to connect them with qualified individuals eager to work. I have been part of this branch since its inception, witnessing the implementation of the Personal Responsibility and Work Opportunity Act through the transition to the Deficit Reduction Act of 2005. Through my observation, regardless of the population served, Chanel's testimony demonstrates a true reality for those facing upward mobility.

Fear is linked to the reality of the clients we serve. Even when finding clients to testify before you today on their realities of life, fear surfaced among them that retribution could occur making an already difficult situation worst, like sanctions for choosing to be selective with employment. Individuals will turn down a job for fear their other support services could be interrupted. Here you have Chanel, a single mother raising two young children highly motivated to work but apprehensive of taking full time employment because although she will earn a livable wage, her daycare copay and the loss of food stamps could keep her in the same socioeconomic status as before employment. When I met Chanel she was elated to share she was hired at the new Amazon Distribution Center in Baltimore, a 40 our per week job with excellent benefits, but

gravely concerned that this opportunity could result in a repeat of the past. She has had great jobs before - decent wages, good benefits, and chances to create a true career path for her family - but lost them because although it sounds like a good situation, the reality is she still needed transitional assistance. Although she is excited about this new opportunity, she is feeling a bit leery about her outcome. Will this really be the chance to move off the system? Although our retention team will provide her with the guidance and supports needed to succeed, certain supplements are simply out of our reach.

Clients have declined good jobs for fear it could affect their extended supports such as housing, childcare, medical assistance, and food stamps. As wages increase, the likelihood of the client contributing more equally increases. Our experience has found that there are others that will just take the opportunity, eager and determined to provide more for their families, only to result in being terminated because the reality is they are still reliant on public assistance, like daycare vouchers. Without a true support system, they cannot make it work. Sadly, once their earnings exceed a federally defined hardship amount they no longer qualify for assistance, and in all likelihood it may be eliminated altogether. This could be the case for Chanel. Despair enters their world and my staff and I aggressively work to instill hope back into their lives. This is even more challenging for those who have gone through specialized training programs, often at a financial cost to themselves through student loans, never resulting into employment yet alone with earnings initially marketed to them. These trainings or educational programs toy with their drive towards financial independence, often leaving them in more of a hardship then before. America Works has developed several programs where skills development is in direct correlation with private sector needs, providing the individual with not only the theory aspect of the job but realistic experiences of understanding. This method produces a higher probability for success, securing the longevity of a position.

I petition the committee to truly evaluate the transitional process or support systems for helping low income working families leave the welfare system. Unfortunately the priority is aimed at ensuring full participation of work activity, as defined by the law to not accrue penalties, instead of a system designed to guarantee stable employment. Through our experiences, we know people want to work, with proper matching there is a job for everyone, but we need an unmitigated system to ensure longevity of employment which will result in the reduction of the welfare rolls.

Thank you for the opportunity to testify before you today.