



State of Utah

GARY R. HERBERT  
Governor

GREG BELL  
Lieutenant Governor

**Department of  
Workforce Services**

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August 1, 2011

WDD-HT 001-11

Mr. George Sheldon  
Acting Assistant Secretary  
Administration for Children and Families  
US Department of Health and Human Services  
370 L'Enfant Promenade, SW  
Washington, D. C. 20447

Dear Mr. Sheldon

The Utah Department of Workforce Services (DWS) is pleased to submit recommendations concerning the February 28, 2011 Presidential Memorandum – Administrative Flexibility. DWS has a long history of providing integrated services to unemployed and underemployed customers. The department's association with the Department of Health and Human Services as well as the Department of Labor provides an expanded view of the difficulties of providing seamless services when there are customers using multiple funding sources. We are very interested in being of assistance in the work of providing flexibility within and among funding sources for more effective outcomes.

If you have questions or need additional information, please contact Helen Thatcher, Program Manager and TANF Administrator at 801-487-9124 or [hthatch@utah.gov](mailto:hthatch@utah.gov).

Sincerely,

Kristen Cox  
Executive Director

cc: Helen Thatcher, Program Manager  
Karla Aguirre, Associate Director  
Mark Greenberg, Deputy Assistant Secretary for Policy  
Sharon Parrott, Counselor to the Secretary for Human Services Policy

ATTACHMENTS: A, B, C

ATTACHMENT A  
Administrative Flexibility Recommendations  
Utah Department of Workforce Services  
July 24, 2011

Utah's strong commitment to work has been evident for decades. Taking advantage of waivers available in the 1990's gave Utah an occasion to design a strong connection to the workforce and experiment with a model that became the Family Employment Program, the financial assistance program funded by the Temporary Assistance for Needy Families (TANF). Utah devised a work based program that had high expectations and relevant opportunities for parents. The combination of expectation and opportunity has provided the bases for parents to become successfully connected to the labor market. In addition, Utah has attempted to integrate the services funded and regulated by different federal agencies so a customer has seamless access to a variety of services to find and retain work.

The State of Utah has long been involved in the effort to integrate job seeking and job preparation services. The Utah Department of Workforce Services (DWS) administers many critical programs: Unemployment Insurance, Wagner Peyser Employment Services, Temporary Assistance for Needy Families, Workforce Investment Act, Supplemental Nutrition Assistance Program, eligibility services for Medicaid, Work Opportunity Tax Credit, Child Care Development Fund, Veterans Service, Trade Adjustment Assistance Act, and others. This variety of programs and services has given DWS a unique perspective of how various federal agencies work. DWS' primary mission is to help job seekers to connect to jobs, assist in the development of the workforce based on the needs of employers especially in growth industries, and to do this as quickly and efficiently as possible. Attachment B demonstrates how customers overlap in using differing programs. Clearly, administrative flexibility in various areas could assist states in organizing the work necessary to implement quality and streamlined services.

Included here are four primary areas DWS encounters that could work better to help achieve employment as an outcome: data sharing, differing eligibility criteria for a similar or same service, process measures instead of outcome measures, and waiver authority. These plus other strategies could lay the foundation for continued integration and more efficient delivery of programs.

**Data Sharing:** Collecting the same information over and over again is a clear waste of time for agencies and the customer. Some services have access to necessary electronic data for eligibility purposes and others do not have that access but need the same information to complete eligibility and employment planning. The most notable disconnect occurs with the Department of Labor programs. DWS has worked hard to streamline data and verification collection. Some of this data is very sensitive and requires careful protection. The ability to gather data electronically from these sources such as the Social Security Administration is critical to proper administration and eligibility determination. DWS has designed systems to gather and protect this information and provide it to staff for timely work. An example of the disconnect is the Workforce Investment Act and Work Opportunity and Tax Credit programs are not allowed this data from the State Online Query (SOLQ) and State Verification and Exchange Systems(SVES) requiring the customer to provide it with paper documents. In an integrated service delivery, the same

staffs may be implementing both Health and Human Services programs and Department of Labor programs on his/her caseload but cannot use the same process to gather the same data that is needed.

*Recommendation:* At a minimum, work with the Department of Labor to allow the data gathered for DHHS programs to be used for the eligibility purposes of DOL programs. Ideally, DOL should establish agreements with Social Security Administration to allow electronic gathering of such data. The DOL agreement would eliminate any issues of the age of the data from other sources. The Administration for Children and Families (ACF) funded services could be greatly enhanced by the use of DOL programs. It is in ACF's interest to assist in streamlining data sharing for ease of service access.

To assure the efficiency of data collecting and sharing, the TANF program requirement to use the Income and Eligibility Verification System (IVES) for both financial assistance families and non-assistance family services is an administrative time waster. Other, more real-time data is more helpful. The use of IVES should be eliminated as a requirement as long as other data is available for eligibility purposes.

**Differing Eligibility Criteria:** When a program is designed to assist someone who is low income, there should be consensus at the federal level of what kind low income criteria to use. For example, the Workforce Investment Act uses the Lower Living Standard Income Level while most other programs use a poverty standard. Both the LLSIL and Poverty Guidelines change every year requiring adjustments to eligibility. The guidance information is not even released at the same time. Another example is the timeframes for considering eligibility. WIA requires six months of income to determine eligibility while other funding sources allow looking at only one month of income.

*Recommendation:* Federal agencies should agree on the same guidelines for low income programs, especially ones that focus on work and work supports. This area is especially amenable to allowing states to align eligibility criteria from differing programs through waiver authority. This includes the definition of family and income guideline in terms of levels and timeframes.

**Process vs. Outcome Measures:** The purposes and principles of federally funded programs are relevant to this discussion. It is unfortunate that the stated purpose of the program and information expected to be reported and measured through the federal reporting process does not always support each other. The activity of federal reporting highlights the misalignment of priorities among the various programs that purport to have the same purpose of employment and re-employment. Collecting data is one of the most administratively expensive activities the recipients of the federal grants must perform. Congress is often prescriptive in what is important and what it wishes to know about those using the funding. Federal regulation often makes the situation worse based on how the regulation expects the federal reporting to function. For example, TANF financial assistance measures and reports process, not outcomes. The lack of focus on outcomes makes the program less about the need to help parents find and retain work and more about the need to assure that parents are active in prescribed activities. Any of the data

reported that is an actual positive outcome for a customer may matter to the State but it does not relate to how the data is reported and framed to Congress.

The Workforce Investment Act (WIA) asks for point in time data and the measures are not helpful to the actual real-time management of the services provided under that grant. What data the federal grant asks for in the reporting process has a powerful impact on program design, what a state needs to do to assure the data is collected and that the data demonstrates regulated implementation has occurred. The differing measures and reporting process seems to demonstrate the misalignment of employment focused programs and each one's priorities. With differing measurements, there is no ability to compare effectiveness between funding grants.

*Recommendation:* The federal reporting of employment focused programs should be carefully reviewed and elements aligned to provide a similar "picture" of employment outcomes. It is understood that this will not address the federal statutory and regulatory misalignment, but this activity can find those segments of reporting that are not relevant to the purpose of the service or mandated by statute. This activity could assist to find areas of federal regulation that is not designed to directly support the purpose of the grant.

**Waiver Authority:** Utah is especially interested in the development of waiver authority in the TANF grant. Utah has the desire to expend TANF dollars in the most efficient and effective manner supporting the kind of services and activities that promote initial employment, wage progression, and employment retention. Utah is willing to be held accountable for the positive employment outcomes resulting from the efforts of the Department of Workforce Services. A change in the approach away from narrowly prescribed priority activities to one of outcomes would relieve staffs from the burden of collecting data that is not relevant to the outcome of work, and hold staffs accountable for the employment outcome rather than the currently prescribed collection of participation data. As a state driven by data, DWS is anxious to discover the most effective activities that lead to employment. Waivers will allow experimentation in finding effective pathways. While Utah supports a work search requirement, we will only consider waiver authority based on those processes that actually improve employment outcomes.

*Recommendation:* Allow waivers where the measurement of employment is the primary reportable data to the federal government and allow Utah to expand the definitions of priority activities from the current narrow definitions of countable hours and provide relief from the prescriptive verification processes. The expectation to participate fully in specific activities leading to employment is not the issue. Full engagement is a powerful process that can lead to work. It is the narrow definitions of what counts and the burdensome documentation and verification processes that are not helpful. Experience tells us:

- o Participation in federally defined activities has become the outcome of the TANF program
- o Employment should be the measure of success
- o Advancement and stable income for current and post assistance families could be part of the continued effort
- o Freedom to tailor services, participation, work preparation to the family and the economic service area without strict regard to narrowed definitions of allowable activities will give

us the ability to test out other models that may be better designed to an area's resources and economic realities.

It will be important that a waiver contain the relief from the expectation to meet the strict standards of reporting and verifying actual hours of participation of federally prescribed activities. Assisting a customer in the most relevant activities to find and keep employment should be the work of staff, not collecting and verifying hours in the manner now prescribed.

In addition, waivers could be useful when a state has unique populations to serve such as Refugees. The Refugee families have challenges that are overwhelming to the family and the system. To fit the need of learning English, adjusting to education systems for parents and children, and the cultural issues of both parents working does not remotely fit the design of participation in the TANF program. Yet, by regulation, TANF is the default program for Refugee families with children.

Kristen Cox, Executive Director, Utah Department of Workforce Services, testified to the House Ways and Means committee that re-employment programs could be streamlined through a waiver process. See Attachment C. This testimony demonstrates DWS' commitment to take the responsibility in providing quality, accountable, and streamlined services that produces employment outcomes. In times of reduced funding, waivers may be the best method to allow states to find effective and efficient approaches to assist the unemployed to find and keep work within the TANF program as well as across programs.

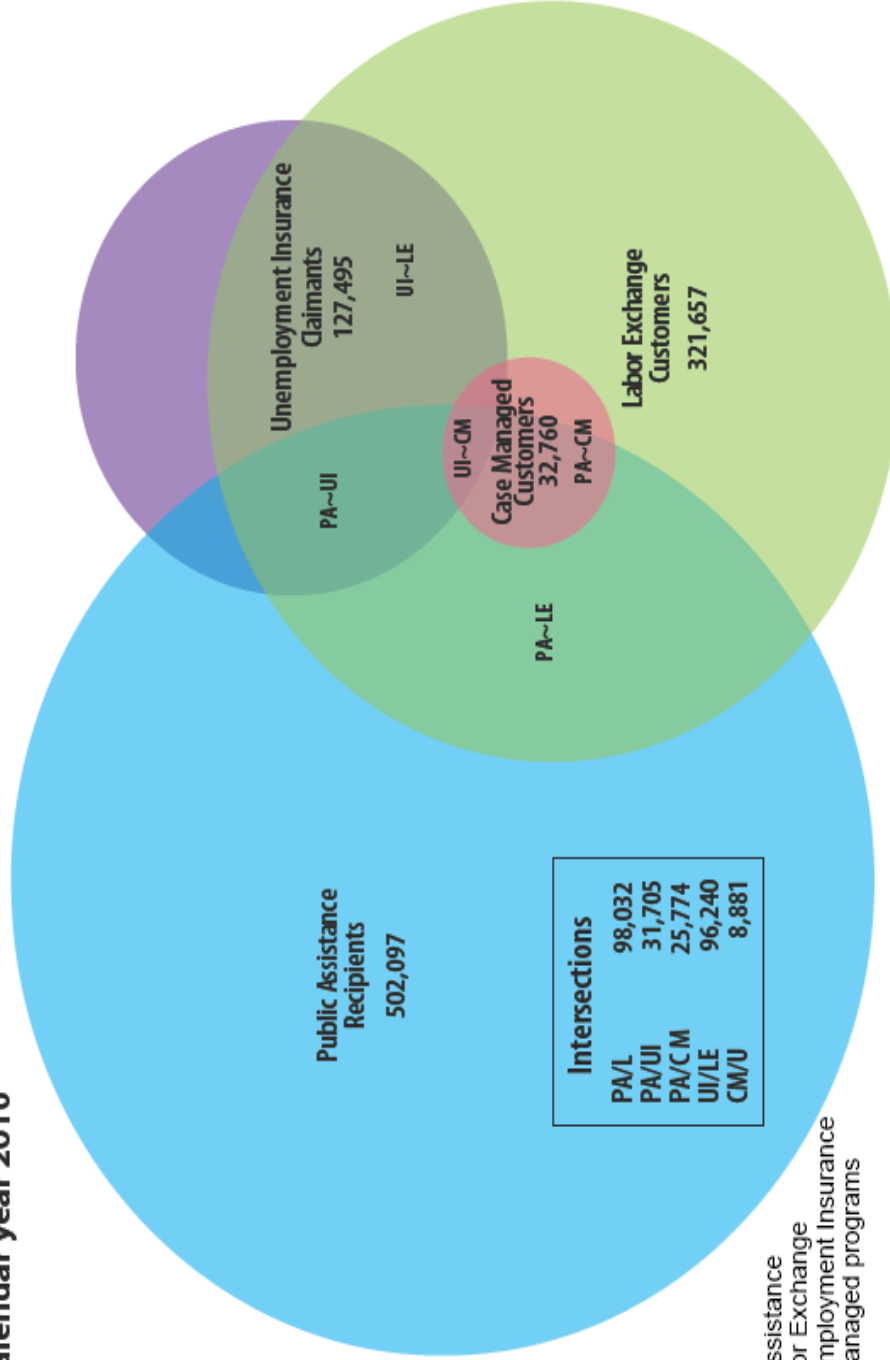


Department of Workforce Services

## Distribution of Total Customers Served

**Total Distinct Customers = 752,465 (includes children)**  
Calendar year 2010

ATTACHMENT B



ATTACHEMENT C  
COMMITTEE on WAYS and MEANS: Submissions For The Record  
Kristen Cox  
Thursday, February 10, 2011  
Mrs. Kristen Cox  
Executive Director, Utah Workforce Services

Supporting Increased Flexibility of Resources: Separate federal funding sources and associated program boundaries can present obstacles to integrated service delivery. Federal law and Department of Labor regulations place clear limitations on how UI, Wagner-Peyser, and WIA funds can be spent. While the intent of the limitations is to ensure effective and appropriate program administration, the effect can be to make cross-program integration difficult.

WIA Title I funds may not be spent on employment generating activities, economic development, and other activities, unless they are directly related to training for eligible individuals. Providing less restrictive regulations for WIA statewide activity funds could provide greater flexibility in getting individuals re-employed. Other program issues to consider include: Real-time access to federal data about customers. This could reduce administrative costs, support a more streamlined process for the customer, and ensure more accurate delivery of services. For example, access to Social Security information (SSN verification and benefit payments) is available to states for public assistance programs such as TANF, SNAP, and Medicaid. However, it is not currently available to support other programs such as WIA and WOTC.

Expanding the scope of the UI program to achieve claimant re-employment would be an efficient use of funds and would help claimants become re-employed as quickly as possible.

WIA, TANF, and SNAP programs offer waivers and more flexibility. If unemployment is one of our largest issues, why not give states more flexible options to help re-employ job seekers?

DOL has recently shown good leadership with its focus on re-employment, its wage subsidy grants, and state consortium initiatives. It is time to connect benefits and employment into a seamless service delivery strategy without creating funding barriers.

Utah has implemented multiple initiatives to help UI claimants become re-employed sooner. A few of these initiatives have been recognized at the national level. The U. S. Department of Labor awarded DWS the 2010 UI Innovation Award for our electronic correspondence system and the American Institute of Full Employment awarded DWS the 2010 Best Practices Award for our on-line worker profiling re-employment service program. These initiatives have helped Utah enjoy one of the lowest average UI duration rates in the country – 16.6 weeks, despite having a fairly high wage replacement rate. While we have made significant progress, our goal is to continually strive to improve services for employers and job seekers.

Summary of Recommendations:

Establish clear expectations for claimants that re-employment is a priority and requires a full-time commitment.

Provide employers with wage, training, and tax incentives that provide economic benefits for employers to expand or retain their workforce.

Increase program and funding integration that supports effective meshing of UI claimants with employers' workforce needs. Expansion of the Worker Profiling and Re-employment Services and REA grants are good examples of integrated funding between UI claimants and re-employment services.

Increase flexibility of resources to make cross-program integration more efficient without creating funding barriers or jeopardizing program accountability.

As copied from the Link:

**<http://www.waysandmeans.house.gov/News/DocumentSingle.aspx?DocumentID=229014>**