



# National Advisory Committee On Rural Health and Human Services



## The Need to Integrate Work Programs for Low-Income Rural Residents Policy Brief December 2012

### ***RECOMMENDATIONS***

- 1. The Committee recommends that the Secretary request that the Center for Medicare and Medicaid Innovations identify any of its programs that focus on entry-level workforce jobs that offer career pathways into the field of health care to see if these include any successful, rural focused models that could be replicated.*
- 2. The Committee recommends that the Secretary encourage the White House Rural Council to examine ways for HHS, Labor and the United States' Department of Education to work together to focus on rural integration of workforce and training programs.*

### **INTRODUCTION**

The integration of rural human services can help improve service delivery in rural communities by creating economies of scale and one-stop sites for services for clients. This is particularly true in the area of workforce since there are advantages to providing job searching, training and economic support activities in one location.

While the economy is improving, some rural residents may continue to face challenges entering the job market. It can be particularly difficult for low-income and at-risk populations, as well as those who have lost their jobs, to find employment. The high school completion rate for rural areas remains below the 85.5% completion rate of metropolitan areas, while in the field of postsecondary education rural populations achieve a bachelor's degree at rates 13% lower than their urban counterparts.<sup>1</sup> As the American labor market moves into higher-skill jobs, rural unemployment rates for those with higher levels of educational attainment are much lower (3.4%) than those with a high school diploma (13.1%)—putting a large portion of the rural population at a disadvantage in terms of employment.<sup>2</sup>

The Committee believes one of the policy challenges facing workforce efforts in rural areas lies in connecting those seeking jobs and training with the available resources since they span a range of federal and state jurisdictions and authorities. The key agencies are the Department of Health and Human Services (HHS) and the Department of Labor (DOL). They include HHS' Child Care Development Fund (CCDF) and Temporary Assistance for Needy Families (TANF) along

---

<sup>1</sup> United States Department of Agriculture, Economic Research Service. "Rural Education." Updated Tuesday, 17 July 2012. Retrieved from <http://www.ers.usda.gov/topics/rural-economy-population/employment-education/rural-education.aspx>.

<sup>2</sup> *Ibid.*

with the DOL's Workforce Investment Act (WIA) programs. In September the Committee visited an integrated workforce program in Bastrop, TX that could serve as a model for bringing together common services and resources to serve rural clients as efficiently as possible.

This policy brief examines some of the issues and opportunities that could emerge from the integration of workforce programs in rural communities as well as the opportunities for DOL and HHS to further collaborate in serving low-income rural residents. While the respective federal programs described below address unique aspects of moving unemployed low-income individuals into work, they often serve a common population. The HHS programs provide assistance to those individuals in need of support to look for or qualify for work. The DOL programs link employers and educators at the state and regional levels to coordinate workforce planning.

## **BACKGROUND ON TANF**

The TANF program is a block grant created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as part of a federal effort to “end welfare as we know it.” The TANF block grant replaced the Aid to Families with Dependent Children (AFDC) program, which had provided cash to poor families with children since 1935.<sup>3</sup> HHS, through the Administration of Children and Families (ACF), administers TANF, which supports the following activities: “(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and (4) encourage the formation and maintenance of two-parent families.”<sup>4</sup> States have broad discretion in setting eligibility criteria for TANF recipients. Childless individuals and couples do not qualify.<sup>5</sup>

## **BACKGROUND ON CCDF**

Authorized in 1990, CCDF is a federal program that provides families with subsidies for child care for children below thirteen years of age while actively working to improve the quality of child care. Specifically, CCDF seeks to enable low-income parents and TANF recipients to work or to participate in education or training programs by providing care for their children. The federal government allocates funds directly to eligible states and tribes through block grants, which they use to administer CCDF services and programs. Block grants give states and tribes broad discretion in program design and regulation. In particular, the states and tribes are responsible for establishing eligibility of families for the subsidy program, as well as for coordinating CCDF program activities with federal, state, and local child care and other early childhood development programs, such as Head Start.

---

<sup>3</sup> Schott, L. *An Introduction to TANF*. Center on Budget and Policy Priorities. 6 July 2011. p1.

<sup>4</sup> Social Security Act. 1996. Part A—Block Grants to state for Temporary Assistance for Needy Families. §401. [42 U.S.C. 601].

<sup>5</sup> Falk, G. *The Temporary Assistance for Needy Families (TANF) Block Grants: A Primer on TANF Financing and Federal Requirements*. Congressional Research Service. 2 August 2011. p13.

## BACKGROUND ON WIA

The WIA of 1998 authorized the DOL to provide grant funding to states to establish statewide and local workforce investment boards and workforce investment areas, which each Governor designates.<sup>6</sup> WIA represents a partnership between employers, job trainers, and economic development programs to engage in a broad range of workforce planning. Within the workforce investment areas, workforce activities are administered locally.<sup>7</sup> Specifically, each workforce area is responsible for “a one-stop delivery system through which core employment-related services are provided and through which access is provided to other employment and training services funded under this title and other federal programs.”<sup>8</sup> Examples of these core services, which have no eligibility criteria, include: “job search and placement assistance, including career counseling; labor market information identifying job vacancies, skills necessary for occupations in demand, and relevant employment trends in the local, regional and national economies; initial assessment of skills and needs; provision of information on available services and programs; and follow-up services to assist in job retention.”<sup>9</sup> These one-stop shops include various programs authorized under WIA, namely “Trade Adjustment Assistance (TAA) and Alternative Trade Adjustment Assistance (ATAA), which help trade-affected workers who have lost their jobs as a result of increased imports or shifts in production out of the United States.”<sup>10</sup>

## COMMENTS AND DISCUSSION

### MOVING TO A REGIONAL APPROACH

No problem challenges rural policymakers more than economies of scale. For many rural communities, federal programs cannot afford to offer robust workforce services because they lack the population density to support more comprehensive levels of activities. However, the Committee believes the regional approach that Texas uses for its workforce programs could serve as a useful model for other states. In Texas the workforce centers combine WIA, TANF, CCDF, Unemployment, and the Supplemental Nutrition Assistance Program (SNAP) to offer a comprehensive set of services to their clients.

The state was the primary driver in the consolidation of workforce services in Texas when the legislature established the Texas Workforce Commission (TWC) in 1996.<sup>11</sup> The law required all federal funding for programs that provide workforce or unemployment-related assistance go to the TWC to be allocated out to regional workforce centers across the state that help unemployed Texans. To facilitate this consolidation, all files on any clients who enter the TWC system are kept in a central computer system that any caseworker can access from any site. In a manner

---

<sup>6</sup> The Workforce Investment Act of 1998 Pub.L. 105-220, 112 Stat. 936, 29 U.S.C. § 2801

<sup>7</sup> United states Department of Labor, Employment & Training Administration. “Summary of Workforce Development Provisions of The Workforce Investment Act Of 1998.” Retrieved October 17, 2012 from <http://www.doleta.gov/usworkforce/wia/summarywia.cfm>.

<sup>8</sup> *Ibid.*

<sup>9</sup> *Ibid.*

<sup>10</sup> United states Department of Labor, Employment & Training Administration. “Trade Adjustment Assistance (TAA) and Alternative Trade Adjustment Assistance (ATAA) Services and Benefits.” Retrieved October 17, 2012 from <http://www.doleta.gov/tradeact/benefits.cfm>.

<sup>11</sup> Texas Labor Code; Title 4: Employment Services and Unemployment; Subtitle B: The Texas Workforce Commission, Workforce Development, Employment Services.

similar to an electronic medical record, case workers are able to better serve clients when they have more information about their interaction with other federal programs. Most important is the unique link between the HHS programs, such as TANF and CCDF, and DOL programs, namely WIA and TAA. The Committee finds this approach to be an innovative start, but envisions even higher levels of integration if scaled up nationally. In that vein, coordination of the above-mentioned programs with other income-based benefits, such as the Earned Income Tax Credit, Medicaid, and Low Income Home Energy Assistance Program, could better leverage federal resources to provide a more stable foundation from which rural Americans can step back into the workforce.

However, the Texas model does have some limitations. While the integrated nature of Workforce Solutions in Bastrop impressed the Committee, additional links to mental health programs and community colleges would further strengthen the ability of this network to resolve the variety of issues that prevent rural Americans from entering the workforce. Furthermore, the TWC model may only work well in larger rural areas. It is currently unclear whether this model would function well in more isolated rural areas given the limited economies of scale and vast differences in drive per unit costs. HHS may want to consider what models of integration and coordination might work best in more isolated areas.

#### OTHER WORK CHALLENGES FOR RURAL AMERICA

##### ***COMMUNITY YOUTH DEVELOPMENT PROGRAM***

*In some rural communities nationwide, young people are moving away and not returning in what is commonly referred to as a “brain drain.” As rural populations age, the workforce and leadership to drive community development is thinning.*

*During its site visit in Bastrop, TX, the Committee learned of an innovative model to address this challenge. The Bastrop Workforce Solutions office partnered with the Sam Houston state University Center for Rural Studies to create the Community Youth Development Program (C-YPD) in local communities. C-YPD aims to educate local youth, often high school students, on the “functioning and operations of rural communities with the intent of inspiring youth to remain in or return to rural America.”*

*The program connects high school students with employment at local businesses in an attempt to foster a deep connection and sense of ownership of their rural community. Aside from this, C-YPD develops leadership, job-related, civic-engagement, and interpersonal communication skills for young rural Americans.*

As documented in previous Committee reports, rural populations face unique short-term barriers to work. Because jobs are often not available locally many residents have long commutes, but the tools to support these commutes (gas cards, car repairs, child care services) are limited. In particular, access to affordable (or any) child care is a problem nationally, although this issue was not noted in Texas. Broadband access in rural areas continues to prove challenging for all aspects of rural life—in this case, making it difficult for remote rural workforce centers to make online job applications available to clients.

Moreover, rural Americans are often trained for jobs rather than career tracks. While the economic downturn has created a challenging work environment, the long-term solution is to get rural people into careers rather than place them in jobs. The goal for rural workforce efforts should be not just getting income into the hands of low-income families, but making those families more financially secure in the long-term. Training for careers seems to be the best path towards that security.

## **RECOMMENDATIONS**

### COORDINATION OF WORKFORCE PROGRAMS ACROSS HHS

The Committee recommends that the Secretary request that the Center for Medicare and Medicaid Innovations (CMMI) identify any of its programs that focus on entry-level workforce jobs that offer career pathways into the field of health care to see if these include any successful, rural focused models that could be replicated.

Additionally, the coordination of job training programs in other agencies with traditional workforce programs could better leverage federal resources to get rural Americans back to work. Many job openings in rural areas occur in the health field, yet not all HHS training programs are linked to TANF and WIA. For example, the Health Resources and Services Administration's Nursing Programs provide excellent flexibility for disadvantaged nursing and traineeships and there maybe additional ways for nursing schools to partner with WIA and TANF officials to enhance the impact of these training programs for low-income rural residents.

### COORDINATION OF FEDERAL WORKFORCE PROGRAMS THROUGH WHRC

The Committee recommends that the Secretary encourage the White House Rural Council to examine ways for HHS, Labor, and the United states' Department of Education to work together to focus on rural integration of workforce and training programs. One example of this is examining how to link workforce programs to the benefits of DOL's TAA programs. While eligibility for the TAA program is limited, the infrastructure created for it may benefit the rural TANF population.

## **CONCLUSION**

In tough economic times stretching federal resources to better serve more rural constituents is a challenge. The Committee was impressed with the unified approach to workforce and human services in the Texas Workforce Commission—placing multiple services under one roof not only makes these services more convenient for recipients, but also saves money on costly items like rent and electricity. The Committee believes that this type of innovative program-linkage across federal agencies could serve as a useful model for rural human services nationally.