

How Integration of Workforce and Social Services Can Lift Louisiana's People From Poverty to Opportunity



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#### **Overview**

Louisiana boasts five of the fifteen busiest United States ports, affordable land, plentiful natural resources, and unparalleled food and culture. In many ways, it should be the envy of the nation and the world. Instead, the state ranks near the bottom for many positive metrics, and near the top for many negative ones. For example:

- Louisiana's poverty rate stands at nearly 20%,<sup>1</sup> the highest in the nation, with more than 800,000<sup>2</sup> people receiving non-health-care-related government aid and 44% enrolled in Medicaid.
- The percentage of working-age adults participating in the workforce (those either working or looking for work) is 58.9%, which is ninth worst in the country.<sup>3</sup>
- Economic growth in Louisiana continues to be sluggish, with GDP consistently lower than the United States<sup>4</sup> as a whole. In the first quarter of 2023, it was 1.4%,<sup>5</sup> putting it at 31st in the country for economic output.<sup>6</sup>
- Louisiana has the second-highest youth disconnection rate in the United States (17.7%), defined as the percentage of 16- to 24-year-olds neither working nor in school.<sup>7</sup>
- While the number of violent crimes committed in the state has begun to fall,<sup>8</sup> crime and recidivism—the tendency of a convicted criminal to reoffend—remain extremely high.<sup>9</sup>

Frustrated with the above realities, those who can leave our state are doing so, relocating to places like Georgia, Tennessee, South Carolina, and Texas to find work and opportunity. Louisiana has the third highest net outmigration rate in the country, meaning more people are leaving the state than moving in. The only states with worse outmigration are Illinois and New York.<sup>10</sup>

While several factors have contributed to these challenges, much of it comes down to poor public policy decisions. The way Louisiana organizes and delivers safety nets and workforce services sets them up to fail. Rather than developing and executing a well-designed, fully integrated system to point individuals toward successful, sustainable outcomes, Louisiana has allowed a complex, inefficient, and fragmented system to persist, leaving its people no better off.

As our state transitions to new leadership in the coming months, overhauling how we tackle poverty and address workforce needs must be a high priority. Thankfully, there's a proven case study and examples from other states that Louisiana's new governor and legislature can look to for guidance. This brief is a beginning strategy for achieving the Louisiana Comeback we desperately need.

<sup>1</sup> https://www.census.gov/quickfacts/LA

<sup>2</sup> https://fred.stlouisfed.org/series/BR22000LAA647NCEN

<sup>3</sup> https://fred.stlouisfed.org/series/LBSSA22

<sup>4</sup> https://fred.stlouisfed.org/graph/?g=12YOI

<sup>5</sup> https://fred.stlouisfed.org/graph/?g=12YOn

<sup>6</sup> https://pelicanpolicy.org/the-economy-isnt-all-that-rosy-louisiana-economic-situation-october-2023/

<sup>7</sup> https://ssrc-static.s3.amazonaws.com/moa/EnsuringAnEquitableRecovery.pdf

<sup>8</sup> https://www.smartoncrimela.com/blog/violent-crime-is-falling-in-louisiana

<sup>9</sup> https://www.fbi.gov/news/press-releases/fbi-releases-2022-crime-in-the-nation-statistics

<sup>10</sup> https://taxfoundation.org/data/all/state/state-population-change-2022/



# Louisiana's Current Workforce and Safety Net Services

The vast majority of workforce and social services are funded by the federal government and administered by the states. Over the years, the federal government has created more than 40 employment and training programs to serve similar and overlapping populations. These programs total more than \$18 billion annually and are funded and managed by nine federal agencies.<sup>1</sup>

These programs come with a host of stipulations, rules, and regulations about how their funding can be spent. The system is so fragmented at the federal level that it is hard for state and local agencies to navigate, let alone the individual seeking the service.

Federal workforce programs were created to match employees with employers through training and educational services. The Workforce Innovation and Opportunity Act (WIOA) was designed to integrate employment, adult education, and vocational services into a workforce development system for adults, dislocated workers (those who have lost a job), and youth. In Louisiana, this funding flows to the Louisiana Workforce Commission, which oversees the Workforce Investment Council that divides the money among the state's 15 Local Workforce Development Boards. The state is supposed to ensure these regional boards use a single, coordinated plan toward educating and training Louisiana's workforce to match the needs of local employers.

One of the primary goals of WIOA is to assist work-capable adults, particularly those in poverty or receiving government assistance, with job training and connect them to work. But these services tend to operate on a supply-side basis, focusing more on persuading employers to hire program participants for a job, perhaps any job, rather than using a demand-driven approach focused on assisting participants in acquiring qualifications for high-demand jobs. The demand-driven approach would provide far better outcomes for employers and participants.

The WIOA workforce services are also insufficiently coordinated with other state workforce efforts and social safety-net services. The state is required to submit a cohesive plan to the federal government; however, Louisiana's plan<sup>3</sup> is lacking in coordination and leadership. It appears that the state and local entities involved simply share information and layer their plans one on top of another, rather than truly coordinating to achieve efficiencies, improve service delivery, and improve outcomes for the idividuals they serve—many of whom are the same participants.

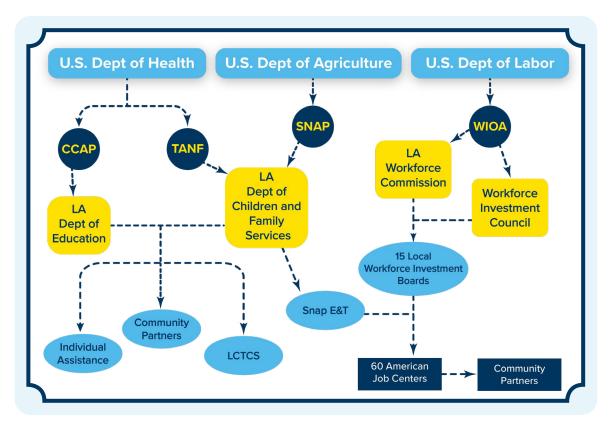
<sup>1</sup> https://www.aei.org/research-products/report/the-utah-model-workforce-programs-and-services-integration-tool-kit

<sup>2</sup> https://www.dol.gov/agencies/eta/wioa

<sup>3</sup> https://www.laworks.net/Downloads/WIOA/WIOA\_State\_Plan\_2022\_Final.pdf

Social safety-net services are also disorganized, including the Supplemental Nutrition Assistance Program (SNAP, for food stamps), Temporary Assistance for Needy Families (TANF, for cash assistance), Section 8 housing assistance, and the Child Care Assistance Program (CCAP). In some cases, those seeking these services can apply for a few programs at once if they visit a local "one-stop," but not all of them. Most maintain separate application processes (though they collect much of the same information from applicants) and assign different case workers who rarely, if ever, interact with one another to discuss the recipients' progress.

For example, those receiving child care benefits must be engaged in work or post-secondary education or training for at least 20 hours per week. The Louisiana Department of Education (LDOE) administers the program and ensures compliance. It is primarily concerned with the quality of child care providers and ensuring that children are making progress toward kindergarten readiness. It has not been the agency's charge, thus far, to evaluate whether the parent receiving government assistance—not just CCAP benefits, but often other public services administered by other state agencies as well—is making progress toward full-time work and self-sufficiency. No other state agency appears to be filling this void. While some state systems allow individuals to access applications for services through a single portal, like Louisiana CAFÉ, there is a lack of coordinated casework while individuals are being served.



#### **Recent Audit Reports**

At the request of lawmakers, the Louisiana Legislative Auditor has recently begun a series of performance audits of the programs that fall under the umbrella of social safety-net and workforce services. Unlike financial audits, which focus on proper accounting and finance, performance audits provide insight into how funds are spent to achieve intended outcomes.

#### **TANF**

The TANF program was audited in 2021.¹ The audit showed that the state spends approximately \$163 million per year on this program, which provides a variety of services in addition to cash assistance. In fact, cash assistance accounts for only 8% of TANF funds in Louisiana, less than the administrative costs for the program (nearly 10%). The largest programs Louisiana funds through TANF are pre-kindergarten and child welfare, accounting for over half the funds. Less than 1%, or \$1.2 million, is spent on post-secondary education, training, and work supports. Louisiana provides cash assistance to fewer families and spends more on pre-kindergarten and child welfare than most states. The audit found that the Louisiana Department of Children and Family Services (DCFS), the agency charged with administering TANF, "does not collect sufficient outcome information to determine the overall effectiveness of the TANF-funded programs and initiatives." This makes it incredibly difficult to know if the program meets its stated goals.

One data point that DCFS does collect for TANF participants is the work participation rate. The audit reported that Louisiana has the lowest such rate in the nation, with only 3.5% of families receiving cash assistance also participating in work-related programming.

#### SNAP

An audit of the administration of the Supplemental Nutrition Assistance Program (SNAP) was released in the spring of 2023. The purpose of this audit, conducted during federal fiscal years 2018 to 2022, was to find areas to improve efficiency. The Department of Children and Family Services (DCFS) is responsible for this program, and the audit found four areas for potential improvement.

- 81% of SNAP cases were closed for procedural rather than financial reasons. This means that cases were closed over incomplete paperwork or process rather than the recipient no longer being eligible. 60% of these cases were re-opened within 90 days, once the paperwork was straightened out.
- Errors increased substantially over the audit period. In 2018, 4.4% of
  the cases reviewed had errors; by 2020, the error rate had increased
  to 45%. Errors could mean that eligible people are denied benefits or,
  conversely, ineligible people are granted them. This could be due to the
  added workload from the pandemic and natural disasters; however, this is still
  an area that needs improvement.
- DCFS has a method for tracking complaints from SNAP applicants, but there are issues with the
  system that limit their ability to determine if those complaints are valid, if they were resolved,
  or if there are trends with the complaints so that policies and procedures can be adjusted to
  improve services and efficiency.
- The contractor that DCFS uses for its SNAP call center has not met its obligations for call hold times, generally exceeding the contractually agreed maximum hold length of six minutes.

<sup>1</sup> https://app.lla.state.la.us/publicreports.nsf/0/8b3b8d2ff12760d1862587b30083045a/\$file/0002563ca.pdf?openelement&.7773098

## **SNAP Employment and Training**

A subsequent audit of SNAP Employment and Training (E&T)¹ was also released in the spring of 2023. The results of this audit are mixed. For the audit period of 2018 to 2022, DCFS increased the number of E&T providers from 4 to 29. This increased the number of parishes with in-person providers from 12 to 42; however, 22 of Louisiana's 64 parishes still lacked an in-person provider, including parishes with large SNAP populations, like Caddo, Lafayette, and Rapides. In 2022, DCFS began contracting with three virtual service providers statewide, however, funding does not include assistance to access the internet or computers.

During the SNAP E&T audit, while the number of service providers increased, and program expenditures increased from \$1.8 million to \$8.3 million annually, participation decreased by 93%. This is because the program became voluntary, rather than required, in October 2020, ostensibly due to the response to the pandemic. The percentage of participants who completed their training programs also decreased from 70% to 41%. The wages earned by these participants increased, though the wages were still below the income eligibility limits for SNAP. Therefore, while SNAP E&T is meeting the goal of increasing a person's ability to obtain regular employment, it is not meeting the secondary goal of reducing reliance on SNAP and achieving self-sufficiency.

SNAP E&T provides five types of services. Between 2018 and 2022, nearly half of the participants received the most basic service—job search training—whereas the other half received services in education, employment skills, and vocational training. The program also offers supportive services, such as transportation, child care, and housing. More than half of the participants did not receive supportive services, and the providers only spent 13% of the available budget on supportive services. In 2021, only five participants received child care services, and only one received housing assistance.



 $<sup>1 \</sup>quad https://app2.lla.state.la.us/publicreports.nsf/0/c9aec15d7db1095d862589880056af3a/\$file/summarry00001159a.pdf?openelement\&.7773098$ 

<sup>2</sup> https://app2.lla.state.la.us/publicreports.nsf/0/870a5b65fc86aa6086258a280070b155/\$file/summary00002a4f.pdf?openelement&.7773098

#### WIOA



WIOA received the most recent audit<sup>2</sup>, released in the fall of 2023. The audit focused on its largest three programs (out of six total). Findings included:

- Not all services are offered in all 15 Local Workforce Development Board (LWDB) areas. Thirteen boards provide on-the-job training, eight provide apprenticeships, and only three provide at least one type of customized training (specific to one employer and primarily paid for by the employer). All 15 boards provide occupational skills training and supportive services.
- There is insufficient oversight of the local workforce boards from the Louisiana Workforce
  Commission. "LWC had not ensured that all LWDBs had memorandums of understanding to
  provide access to all required partner programs as of June 2023, and greater statewide
  oversight and guidance could help improve integration of these programs."
- The number of individuals served compared to the number of people eligible for services is
  extremely low for most programs and the gap has increased since 2019. Less than 2% of
  low-income individuals receive the services they are eligible for.
- On average, the Workforce Commission spends \$55 million annually on these programs, but serves less than 20% of the eligible population.

While programs met their goals for participants gaining skills, they did not meet their targets for employment. This means that while the state is training people to get a new or upgraded skill, nearly 75% of those people did not obtain a job related to the training they received. However, they still had better outcomes than those who did no training.

The audit also revealed that while a majority of the participants obtained a job upon completion of the program (59.2%), their earnings were often lower than before they entered it. WIOA intends to assist individuals in job training and education to become self-sufficient and no longer require the social safety net. This audit showed that 60% of participants earned below what some consider to be a living wage, showing that WIOA is not fully meeting its stated goals and purpose. This is likely the result of services not being sufficiently aligned with workforce demand.

### **Common Themes**

In summary, these safety-net program audits reveal common themes that underscore the need for improvement.

- Programs are not meeting their stated goals of providing temporary assistance while empowering individuals toward self-sufficiency.
- Participants had better outcomes (higher wages or higher completion rates) when they also received supportive services.
- Assistance programs are serving more individuals, while work-related programs are serving fewer.
- While some data are being collected, they are not always useful in evaluating a program's
  effectiveness. None of the programs have performance targets that define success for
  participants.
- Recommendations from the Legislative Auditor generally include improved oversight of contracted service providers, better outcomes measurement and data collection, and increased emphasis on participants completing programming.

Recognizing that many individuals are enrolled in multiple programs, during the 2023 Regular Session, lawmakers passed House Resolution 100,¹ which asked the Legislative Auditor to conduct a comprehensive performance audit of several social safety nets and workforce programs to determine the extent of coordination, efficiency, and overall effectiveness. The results of this audit should be released in the spring of 2024.



# **A Better System:**

# Coherent, Efficient, and Effective

Several other states, or regions within states, have pursued innovations and begun to more effectively organized and delivered workforce and social safety-net services to achieve better outcomes:<sup>1</sup>

- Washington uses a single, unified data management system for clients across relevant workforce development services programs, including but not limited to WIOA, TANF, and SNAP E&T.
- Maryland uses a single intake assessment tool to determine individuals' needs and program eligibility and employs unified performance measures across workforce and social safety-net programs.
- Colorado locates all relevant workforce services staff within the same offices or office building.
- Minnesota automatically enrolls individuals in all eligible workforce and social safety-net programs after an initial assessment.
- Missouri and Colorado use a unified case management system where case managers for a client work together across enrolled programs to provide needed services toward a shared self-sufficiency goal.

In his first 18 months in office, Governor Glenn Youngkin and state lawmakers in Virginia reorganized the state's workforce training programs into a single department, the Virginia Department of Workforce Development and Advancement, aimed at creating, sustaining, and retaining a highly skilled workforce.<sup>2</sup> The previous inefficient structure required the Virginia Economic Development Partnership and the state's 23 community colleges—the institutions charged with doing the bulk of the commonwealth's worker training—to deal with multiple state agencies with sometimes overlapping or competing mandates. By empowering a single department to administer and improve the state's numerous workforce programs, Virginia's learners, workers, and businesses are expected to see better results.<sup>3</sup>

However, a report<sup>4</sup> recently published by Virginia's Joint Legislative Audit and Review Commission found that these efforts, while impressive, are insufficient, and recommended greater integration with social safety-net programs as Utah has done over the past few decades.

<sup>1</sup> https://jlarc.virginia.gov/pdfs/reports/Rpt579.pdf

<sup>2</sup> https://cardinalnews.org/2023/06/19/how-virginia-is-trying-to-expand-its-workforce/

<sup>3</sup> https://richmond.com/opinion/columnists/commentary-virginias-workforce-training-overhaul-will-boost-business-economy/article\_255e2cb0-f312-11ed-bf2a-73e1c4d93861.html

 $<sup>4 \</sup> https://jlarc.virginia.gov/landing-2023-virginias-self-sufficiency-programs-and-the-availability-and-affordability-of-child-care.asp\#: ``:text=ln%20all%20regions%20of%20the,or%20less%20of%20household%20income.$ 

### **The Utah Model**

Utah previously operated its programs much like Louisiana and many other states. But following a series of efficiency audits which found discontinuity and disjointed governance, service delivery, and fiscal management of these programs, Utah's Governor Mike Leavitt convened a strategic planning committee that led the state's overhaul of workforce and social safety-net services and integrated them under a single Department of Workforce Services (DWS).<sup>1</sup>

Now, when individuals need assistance, they go to one office where they are met by one case manager who helps them access all the services needed to transition from poverty to meaningful work and a flourishing life.

Utah officials and DWS leaders and staff credit this reform with achieving impressive outcomes that exceed those of other states and far outpace Louisiana's. The 2020 to 2022 average poverty ranking by the U.S. Census Bureau shows that Utah is tied (with New Hampshire) for having the lowest poverty rate at 7.1%; Louisiana has the second highest poverty rate at 16.9%.<sup>2,3</sup> In the most recent Rich States, Poor States<sup>4</sup> ranking, Utah is second in economic performance from 2011 to 2021, while Louisiana is dead last. Utah's labor force participation rate is 69.7%, compared to Louisiana's 58.9%.<sup>5</sup>

The American Enterprise Institute (AEI) recently issued a tool kit<sup>6</sup> summarizing Utah's transformation. The tool kit outlines the path other states should follow to achieve similar results. They highlight three important innovations: governance, service delivery, and financial management.



<sup>1</sup> https://www.aei.org/wp-content/uploads/2020/08/Utah-Department-of-Workforce-Services.pdf?x91208

<sup>2</sup> https://www.census.gov/content/dam/Census/library/publications/2023/demo/p60-280.pdf

<sup>3</sup> https://www.americanprogress.org/data-view/poverty-data/poverty-data-map-tool/

<sup>4</sup> https://www.richstatespoorstates.org/publication/rich-states-poor-states-16th-edition/

<sup>5</sup> https://fred.stlouisfed.org/series/LBSSA49

<sup>6</sup> https://www.aei.org/wp-content/uploads/2023/08/Bishop-The-Utah-Model-Final.pdf?x91208

#### **Consolidate Governance**

DEPARTMENT

Governance entails how states organize, manage, and evaluate their programs. Under the WIOA, states are divided into regions that provide work services programs. These regions are sometimes arbitrary, usually politically drawn, and rarely align with existing regions for economic development, technical and community colleges, or other educational boundaries. This can make it difficult to respond to changes in industry, markets, and economic conditions that may

arise within or between regions. Prior to 1998, when the regions were developed in federal law, Utah was able to consolidate its localized workforce and safety-net programs into one statewide authority. Through this, they were able

In most states, as in Louisiana, the workforce services are organized at the regional level in one-stop centers that often do not serve as true one-stops. The state manages a variety of safety-net programs which are often accessed through different offices, applications, and case managers.

to create administrative efficiencies.

Utah not only
consolidated but integrated all
its programs into a system with
one-stop centers in the areas
where they are most needed. Each
recipient has a single case manager
who helps them receive the services
most appropriate for their unique needs,
including finding long-term employment that
will allow for self-sufficiency. Program staff are
employed by a single agency that uses one

coherent service framework. They are provided uniform training and use a single case management system, regardless of the programs an individual is receiving. All programs point recipients toward self-sufficiency and long-term positive outcomes.

# **Innovate Service Delivery**

Utah focused on three specific innovations in service delivery to provide customers with the best possible outcomes—not only the recipients of safety-net programs but also job seekers, current workers looking for additional assistance to improve, and employers.

The first innovation was a "One Door" model.

Most states have multiple doors through which individuals must pass to receive comprehensive services—the workforce one-stop center, the food stamp or cash assistance office, the Medicaid office, the housing office, and so on. Very rarely are these offices in the same building, and an individual never has the same case manager because different agencies operate each program. However, they have significant overlap; SNAP E&T, TANF employment services, and WIOA all are designed to assist individuals with finding work. CCAP is designed to help provide parents with safe child care so they can work or train for work and achieve self-sufficiency.

In Utah, the programs were integrated at the state level through one agency, and the funds flow to local employment centers throughout the state. The agency operates, manages, and staffs the centers—one in each community to provide all the services. One of the Utah system's key components is consolidating all program eligibility determinations under one division of the agency. This includes food and cash assistance eligibility, health care, and employment services. Staff are empowered to determine the programs and services an individual is eligible for and devise a comprehensive employment plan that

can include education, training, and job search assistance as well as supportive services.

Employers also benefit from the streamlined system. Rather than being contacted by various agencies, often for the same individual, the employer can work with a single case manager for recruiting workers, accessing incumbent workers, and to implement or recommend training programs.



The second innovation in service delivery was combining unemployment insurance with the workforce services department. This further streamlined services for the recently unemployed, so individuals could sign up for their benefits and training or job search services at the same time.

The third innovation in service delivery was the single case management system to determine eligibility and manage services for various programs. This allows important real-time updates to be shared across programs as individuals are being supported.



## **Streamline Financial Management**

There are various laws, rules, and regulations for using federal and state funds. For federal programs, the state must allocate costs across each individual program and report to the federal agency in charge of the funding. The sheer number of programs and agencies involved creates a complex, bureaucratic, and time-consuming web of financial reporting.

To streamline the financial management of the various funding streams, Utah created a new fiscal methodology to determine cost allocation called random moment time sample (RMTS), which the federal government had to approve. The state Department of Workforce Services was funded through a single line item in the state budget that allowed it to shift funds across programs without state legislative approval. This approach to cost allocation for the different federal programs allowed the state to combine federal funding streams to serve its customers through single service portals. Without RMTS, each staff member would spend excessive time and effort reporting as they each work on multiple programs every day.

Experts caution that efforts to consolidate federal programs and funds will only work if the state develops a mechanism to administer the funds that supports an individualized approach.

Federal government rules currently disallow states from designing a one-door model like Utah's, but this could change soon. When Utah began its consolidation process in the early 1990s, federal regulations didn't necessarily restrict such activities. However, with the passage of WIOA in 1998, funding and programming changed to require the state to guide local or regional workforce development boards who implemented plans and used the funds. In doing so, the federal government essentially banned other states from doing what Utah has done.

Lawmakers, state administrations, and advocates in several states<sup>1</sup> are exploring ways to better streamline and coordinate federal programs for recipients despite the federal barriers until Congress allows states to pursue integration similar to the Utah model.

# A Path Forward For Louisiana

The example of Utah and other states that have made similar strides provides a roadmap for Louisiana to support those in poverty more effectively, significantly enhance Louisiana's workforce, and move the state forward. With a new administration and legislature taking office in 2024, Louisiana can begin transitioning toward a model that operates as closely as possible to full consolidation within the confines of current federal requirements. This plan will need to work within the structure of the current local workforce development boards and fiscal structure of the social safety-net programs. However, considerable added consolidation and cooperation can occur compared to what exists today.

The governor-elect has an opportunity to appoint cabinet secretaries and agency heads to launch this process, pursue true coordination, and establish shared objectives. He can also hold them accountable for program recipients' outcomes. These agency heads can find ways to create centers where an individual can go to one location, physical or virtual, to obtain all services for which they qualify and to find the training and employment program that fits their needs. If officials find that state law or regulation prevents them from coordinating, they should be empowered to make recommendations to the legislature to change them.

The incoming governor and legislature should carefully review the newest report by the Legislative Auditor, expected in the spring of 2024. The governor can direct agency heads to develop better performance measures and data collection to better measure the outcomes of their programs. Agencies can also improve oversight mechanisms for service providers to ensure they are collecting the appropriate data, maintaining fiscal transparency, and meeting the expected outcomes.

Finally, as Utah did years ago and other states have done as well, the legislature should create and convene a strategic planning committee or task force of agency heads and legislators, guided by experts, to recommend a transition plan toward a more streamlined design for the workforce and safety-net programs. The task force should also formulate objectives and address consistent standards, procedures, and staffing for the workforce development boards to implement.

These important steps can make a big difference in how Louisiana addresses poverty and workforce development as state leaders work with the state's congressional delegation to allow for a single-state designation under WIOA, like Utah achieved. Bold, transformational leadership, particularly at the beginning of a new state administration and legislative term, can set Louisiana on a stronger path for its people most in need and allow for long-term economic growth to achieve the Louisiana Comeback.<sup>1</sup>



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