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Implementing the SNAP Pilot Projects to Reduce Dependency and Increase Work Levels

University of Maryland School of Public Policy
and the
Secretary's Innovation Group

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Welcome and Introductions

Doug Besharov: Good morning, I am Doug Besharov. Welcome to this session. We are at Mathematica Policy Research, in Washington, D.C. Thank you to Scott Cody and his associates at MPR for hosting us.

We have a full, jam-packed event today. We started off thinking that there would be three to five states that would want to attend. We have around ten states represented in the room, and many more in the webinar. This is an ecumenical group with representatives from States, advocacy organizations, research organizations and other research firms. I will turn it over to Jason Turner for a brief introduction before proceeding with the program.

Jason Turner: Thank you very much Doug, and thank you to everyone here for attending. I am the Executive Director of the Secretary's Innovation Group, or SIG. Our group is made up of seventeen activist state human service secretaries from around the country. We share an interest in economic self-sufficiency for our recipients. We focus on solutions which are oriented through limited government.

We began this project making a proposal that my colleague Maura Corrigan, the Director of Michigan Human Services Department, produced along with the Secretaries from Kansas, South Carolina, and Louisiana in our group. We made a proposal for a food stamp work demonstration program, which was initially defeated in the House, but it ended up being a part of the Farm Bill that was signed into law, leading us to today, where we have the opportunity to discuss the implementation of its provisions.

Immediately to my right is Maura Corrigan. She is the Secretary from Michigan, as I mentioned before. Robert Doar, one of our members, is newly at the American Enterprise Institute. Before that, he was the Commissioner of Human Resources under Mayor Bloomberg in New York City.

Clarence Carter is the Secretary from Arizona. He will be speaking about an interesting project; in his state they have to merge funding streams while maintaining a common work orientation. Next is Kathy Link. She is in charge of Utah's Supplemental Nutrition Assistance Program (SNAP/Food Stamps). Utah has an interesting program that is a low-cost solution for maximizing //??touching of each individual. She will be talking about that as well. Chad Poppell is the representative from Florida, and his boss regrets not being able to make the event. He will be talking about innovations in Florida relating to maximizing work. Larry Temple is our member from the great state of Texas. He is the Executive Director of the Texas Workforce Commission. Larry is also the SIG's leader of the Workforce Directors, an ancillary group to our Human Services. He is the longest serving state labor secretary in the country. We also have in attendance Aaron Fichtner, the Deputy Commissioner of New Jersey's Department of Labor and Workforce Development. We thank all the secretaries for attending.

With that, I am going to turn it over to Reggie.

Doug Besharov: Let me introduce Reggie Bicha. He is, besides being the Executive Director of Colorado Department of Human Services, the President of the Board of Directors and Council Member of the American Public Human Services Association (APHSA). The reason I wanted to bring that up is because Larry Goolsby, who is also from APHSA, and Reggie helped us to organize this event. This is, indeed, a collaboration between all of us who are interested in improving the Food Stamp and SNAP program.

Reggie Bicha: Good morning everyone. Thank you very much for including APHSA in this event. It is terribly important that we come together and make sure that we maximize this great opportunity through the SNAP demonstration project. Jason and Doug, we appreciate your leadership and partnership in getting the demonstration projects passed through Congress and making sure that we are successful.

At APHSA, we have been focusing really intensely for the past few years on how the entire human services system can become more effective and efficient in doing what all of us as administrators, customers, and taxpayers, alike, need and expect it to do. Our initiative to accomplish this transformation of human services is called Pathways. In it, we call for a system that is integrated, outcomes-focused, preventative and accountable for meaningful and long-term results. We want to see far greater impact in four outcome areas: stronger families and communities, healthier families and communities, sustained well-being for children and youth, and achieving gainful employment and independence. It seems to me that politician after politician, both Democrats and Republicans, have used the saying "The best social program is a good paying job." I think that all of us at APHSA feel very strongly about the premise of that statement.

I am delighted that this conversation is taking place and I am glad to see so many of my fellow HS commissioners here. We have several other leaders of APHSA joining us here today. David Stillman is a member of the APHSA Board and will be speaking later today from the state of Washington. Clarence Carter, David Berns and Larry Temple are all members of our State

Commissioners Policy Council who did extraordinary work to come up with Pathways. And as mentioned earlier, there are other members of APHSA in attendance as well.

We know that human service agencies across the country are looking closely at this demonstration opportunity. I think we will see a strong group of applications, and please note that APHSA will be working with our members and with SIG, UMD and other partners to make sure that these demonstration projects are successful, because we have the opportunity to change the lives of many Americans through this project. Thank you.

Doug Besharov: Let me just say something about Congressman Southerland and members on the Hill who pushed the legislation. SNAP and the Agriculture Bill received a tremendous amount of attention, some of which was accurate and some of which was not. Congressman Southerland and his band of brothers and sisters pushed open the door to get the reform of some key elements of the SNAP program. Even though he is not here today, we would like to extend our thanks for his work and initiative. No legislation is perfect. It is my job now to open the event with the topic that I titled “The Challenge before Us.”

The Challenge before Us

Doug Besharov: We chose the phrase “The Challenge before Us” because first, the legislation encourages innovation and experimentation, but also it is in the precipice of a pretty large disagreement about the nature of entitlement systems in this country. What is the obligation of the government? What is the obligation of recipients? And also given the audience here, and the participants, what is the obligation of agencies that serve these recipients?

This is, as you can see, SNAP expenditures, and notice the jump in numbers. There are two parts to this. First, the increase started long before the financial crisis. It sped up after the financial crisis, but this is a process that was taking place already. Therefore, some of the factors are long-standing. The other part of this we will be discussing is the distinction between exempt and non-exempt recipients. This is quite a chart here. As you will see, the vast majority of the spending in this program is for what are called exempt recipients. That is, people who will be exempt from the mandatory activities laid out in the legislation. We will be talking about people in this program and the extent to which they are voluntary in the exempt group. The pie chart from the Center on Budget and Policy Priorities shows that of the entire caseload (people not households), 68 percent are not expected to work under the rules (children, elderly, and disabled); 13 percent are currently employed, some of whom are employed over the hours required for the demonstration, so they will be outside the mandatory part of the demonstration; and 19 percent are currently unemployed, which will be our primary focus. If you are interested in the breakdown of those who are exempt, they include children, non-working adults caring for children under six, adults caring for the disabled, and the elderly. So, we will be looking at a small percentage of the total caseload.

We will be talking a little bit about the similarities and differences between this demonstration

authority and the Family Support Act of 1988. It is quite striking that you can see the echoes of the Family Support Act by the including of the exemptions that are still in the law. This also brings up welfare reform. The pattern in welfare caseload (in millions of families) is similar to that of Food Stamps. In about 1992, the caseload started decreasing, and it was a sharp decline. Why do we show that? Because the SNAP demos ask us to look at job search and Work First activities, but also Education First and educational activities. This program is organized with both of those concepts. The approaches of Work First, human capital development, and workforce development programs are all very important. I called my segment “The Challenge before Us” because I believe that the states proved that they can run Work First programs, but had only modest success running job training programs. To the extent that these demonstrations are both Work First and job training, it is a giant challenge. So the discussions here are meant to focus both on Work First and job training programs.

I would also like to mention the peer reviewed studies that looked at welfare’s decline. The striking aspect of these studies is that not one of them said welfare went down because of job training, not one of them. So that is why I call this the challenge. I fully expect, given the current climate, where twelve million or so are unemployed, that we will be focusing on job skills development and job training. This is a broad summary of most of the evaluations of the welfare reform programs of the AFDC era. Almost all of them showed a positive effect, meaning reductions in caseloads or an increase in earnings, on job searches in the short term. Almost all of them showed an increase in earnings over the long term. Compared to the job search group, none of them showed an increase over the short term. For the workforce development programs over the course of four to five years, there was a tendency in many of the studies for the workforce development group to catch up and earn the same amount as those who participated in Work First programs, but it took four to five years for that effect to appear. As we think about the nature of the experiments we are going to run, if we are going to give workforce development a fair chance, some of these experiments are going to have to last for more than two years. Otherwise, we are not going to necessarily see these effects.

As I told you earlier, I am speaking for Representative Southerland, and I needed a way to summarize this talk. In light of that, I am going to use Jim Riccio’s overhead that he used at a meeting at the Food and Nutrition Services in March a year ago. I obtained his permission to use it. I think many people would concur with his conclusions, but since he wrote it, I believe I should not paraphrase it. Although they are not miracles, welfare-to-work programs can make an important difference. There is more evidence of success in expanding job entry than in promoting advancement, which is mainly due to limited staff capacity for advancement. There is also little added value of mandatory Education First approaches. Incentives can increase employment, but effects may not last better when combined with services. There is also a need to re-think the approach to job training since generic guidance on its own shows little promise. Many people think sector-based strategies are promising in this area. It is also important to understand the variation in effects by subgroup, therefore targeting matters. Finally, we also have to consider connections across transfer programs. Work interventions for housing voucher recipients may be a way to help part of the SNAP caseload, and other program caseloads as well. Those of you who run multiple programs know that many of your families have multiple needs. I

am looking at Secretary Carter here, who would very much like to have a unified approach to the problems faced by the families.

So, the challenge before us. Job search is probably going to be relatively easy to do. Job training that will lead to a bigger change, will be a challenge. But those two areas will be the focus of our discussion here today. Does anyone have any comments or questions?

Donna Pavetti: It seems to me that one point that is missing is that many of the programs that we classify as job search programs were more than job search. It is this mixed strategy that does not have Education First, or only does job search or only does job training is where we see the best results. So, I have a chart where I have lined up all the welfare evaluations. The one that has the biggest impact is in Portland. In the new study, Portland had a very strong work focus but also allowed people to do short-term training. I looked back at the report on Riverside, which we also use as an example of workforce. Of the people in the program, 40 percent were participating in education or training. So I think the dichotomy between job training and job search is really not the right frame, and we need to think about the range of things, and how you put them together. And, I think that is what the evidence would show.

Doug Besharov: I think that is a very fair point. Jim's fourth point is that not only can incentives increase employment, but they are better when combined with other components. There might be an argument as to whether you can try one model or all three. A great deal will depend on what your clients need and what you think is necessary. And, I am afraid we all know about entry effects, which is when you show a requirement for a program there is a tendency for people to not come or join. There are many things that factor in, Donna. I should have emphasized the importance of support services or other things that help.

Donna Pavetti: The programs where you had those big effects did not just do job search. They allowed multiple pathways. It could be that just because they have a diversity of people, they let people go to different places. So, it was not a requirement, but there were multiple options of where people could go.

Doug Besharov: Let us leave that on the table because there are many views on that. Any other questions or comments? Well, I just want to thank Paul Decker, who was formerly the President of APPAM and is currently the President of MPR, for letting us use these wonderful facilities.

Paul Decker: As someone who is involved in research on workforce development, job search and job training, it is heartening to see the impact up to this point. I am also excited to see that the further experimentation will be combined with the research going forward, so that is great to see. I am excited about Mathematica being involved in a lot of that research. We also welcome our research colleagues from other firms and organizations such as MDRC and APPAM who have been involved in that research for a long time. If there is anything I can help with, please do not hesitate to contact me and I will do my best to help. Thank you and welcome.

Legislative Background

Doug Besharov: We asked two people who have been involved in the legislation to talk about what happened: Brandon Lipps and Lisa Shelton. Before they talk, let me provide you with brief biographies. Brandon joined Chairman Lucas' staff on the Committee on Agriculture in 2011, and he currently serves as Counsel and Senior Professional Staff. His portfolio includes nutrition policy issues and legal issues related to nutrition, energy and food aid. Prior to joining Chairman Lucas' staff, he worked as an aide in the Texas legislature and practiced commercial law. Lisa Shelton has worked on Capitol Hill for fifteen years, seven of those with the Agriculture Committee Professional Staff and with Congressman Colin Peterson of Minnesota. Prior to that, she worked with representatives from California and Indiana, and has roots in both of those states.

Brandon Lipps: (28:00 - 29:40 *Inaudible*) First, I want to back up and talk about the Farm Bill. Food Stamp and farm programs have been tied together for quite some time. There is a lot of history there, and a lot of people have issue with that. There has been some talk of separating the two recently, but we will not get into the politics of that today. I do think that it is important to recognize that history. If you do not really appreciate what is in the Farm Bill, then you have not really thought about how your lunch is getting to your table today. Even if you have, you have not thought about relying on another country for that food to show up on your table. If you have not thought through that, and do not understand the value of the Farm Bill, you might want to start there before you start questioning it. There are some links to learn more about it.

We arrived a bit late, but I saw that you received some background on the growth in the program, so I will not go too deep into that. That growth provoked a lot of questions with members of Congress on both sides of the aisle, but particularly in the Republican conference that I work for. What is causing it, and what can we do? We ended up with a Farm Bill that had the first reforms to SNAP since the 1996 reform law, and these reforms were in a number of realms. Even in a bipartisan manner, there is a lot of stuff that can be done when folks come together and try to do things to improve the situation. Aside from these work pilots, there are a lot of good things in the Farm Bill that folks who implement it will see back in their states. There is some disagreement on some issues, but there are a lot of good things. I highly encourage people to take time and review it.

Going back to the growth in the program, members of Congress are saying, "What are we going to do about the growth in the program, and how are we going to rein that in?" Of course, work always comes up. It is something that is always talked about in relation to what happened to TANF (Temporary Assistance to Needy Families). There is some disagreement on the results of the reform, and how effective the TANF reform really was. But a lot of people believe that it did a lot of good. So, we had members who said we need to start looking at work requirements in Food Stamps. Not to dismiss that there are work requirements in Food Stamps, there are people on this table who would disagree and say they are not, but there are. A number of factors contributed to this growth. Some would say that we had bad economic recession, or that we have a lot of people dependent on this program. Still others would say that we need to work more on

training, or that this administration, and even some before it, have been recruiting some people to go on the SNAP program.

There are a lot of things we can argue about that have contributed to the growth in the program, but something that none of us can deny was the place of the economy. As the economy improves, I think we will see the declining roles for some of those factors. But the Agriculture Committee has recognized that we do have a work problem in the SNAP program. We tend to disagree on how to deal with that, but we were spending in excess of \$4 billion in the Committee's baseline on employment training programs. Frankly, we have no good data on what is happening. We have these stories of states who are doing great things with their E&T programs by putting large number of people back to work. But we are not often seeing that data. We do not know if it is really working, and obviously there are folks who disagree with the self state-collected data. So there has been a lot of talk at SIG to raise the work issue. I am using the terms generically, but obviously there is a difference between E&T and Work First programs.

So, the first thing we did, at least on the House side, was put in a provision. We spent about 3 years marking up multiple Farm Bills trying to get this thing across the finish line. In a divided Congress, it has been a difficult thing to do, and something a lot of our members needed to be educated on. But we did get to the finish line. So, in one of our earliest versions we put in language that I refer to as "demanding outcomes". As states will see, if you have not been doing a good job with your E&T funds and reporting to FNS on that, you are fixing the start. I think Congress will ask USDA to ensure that you do that. So, we want to know what you are doing with your E&T programs. What are your goals? If you do not have some, you are going to have to figure out what those are. If you are not meeting them, then you need to figure out why you are not meeting them and attempt to meet them. That was not intended to impose anything specific on you, but it was intended to help you figure out what you need to do to be effective with the federal tax dollars that we send out every year. That was a good step in the right direction, but there continued to be more talk about work and E&T.

We did not end up with a Work First approach in the Farm Bill that we marked up as a committee, but Rep. DelBene from Washington did develop an amendment in the markup that had some funds for E&T, which you saw in the discussions of this work pilot. There is a large E&T side of this issue, so we appreciate her for getting that started. Then, as we went to the floor, Mr. Sullivan brought an amendment that he had worked on for some time that dealt more with the Work First approach. It said we want to implement a pilot that will allow states to try different approaches to Work First techniques to put more folks back to work. We had a lot of discussions about the details, and Lisa may mention a few. A lot of folks disagree with some of what was in there, but it was intended as an opportunity to allow states to innovate Work First approaches in the SNAP program, and it was designed after what happened in TANF. The intent was good even if you disagree with some of the details. It ended up in the final House nutrition bill that was eventually wrapped into the larger Farm Bill. The Senate did not have a particular Work First or E&T piece in their bill beyond some improvements to the current E&T program. So when we got in the conference, we had to work through some differences.

One of the things we pushed back on in the House is when you look at the 1996 welfare reform, a lot of those policies that were implemented had been talked about since the Reagan administration. They had been bills and policies that people and members had voted on. Even when you look at the Republican caucus, there are a number of members who start getting nervous when you start to push new approaches in very large programs that affect large parts of their constituencies, and we had not had enough time to process those things. This led to some difficulties in these programs as we tried to move forward. This was partly due to communication. As someone who has worked three years on Food Stamps/SNAP in the Republican conference, I can say that very few people come to talk to us about innovative ideas, let alone reforms in these programs. There are a lot of people on the other side of the aisle who come to talk about their ideas, and who spent a lot of time and resources, particularly money, to work on their ideas for these programs. We do not get that much on the Republican side. I appreciate SIG having come along to work on that. Certainly, we have developed a relationship with them on that in the past few years. With continued collaboration, I think we can make effective changes that will improve the programs and take more people off welfare.

After working three years for a Chairman who has been pressured to do something about this issue but had no reliable data to work from, I see these pilots as an opportunity to produce and gather some data. When we got in the conference with the Senate, our goal was to find what we had in common in order to move forward. The conference resulted in some things that the Senate did not like, and some things that the House did not like. However, at the end of the day, we are going to test all of these approaches. The pilot is designed to ensure that we test Work First approaches, and that we take some of these E&T programs that are claiming to do great things and we expand them on a statewide basis. We make sure they are replicable. We are throwing 200 million more federal dollars to states. You are going to have to commit resources and time up front. Certainly for those in states with Republican governors, we want you guys to take this program and show that the ideas that people like those at SIG have been pushing can be accomplished, and we can get some good things out of these studies. But your governor is going to have to commit some resources up front. Once they do that, they can draw from the \$200 million to help run some of the pilots. We want to know before this next Farm Bill, which is our established deadline, what is working and what is not. Where should we be investing this money, and how we can move forward?

One last thing before I turn it over to Lisa. People come to talk to us about doing away with ABAWD (Able Bodied Adults Without Dependents) waivers, because we talk about them quite often. Doug was talking about the small population we are serving with the pilots. I do not want to look at it that way. I do not think anybody thinks that children, the disabled or the elderly should be working. So if we take them out, we are looking at a broad population that we want to put back to work. That is what we ought to focus on as states come in and talk about what they can and cannot do, and how they want to move forward. Nobody forces states to take ABAWD waivers and a lot of people here do. If you think it is a good idea to do away with those waivers, then follow the lead of the Chairman's home state of Oklahoma and do away with your ABAWD waivers and show us what you can do with those people. We, aligned with good Republican philosophy, want innovation to happen at the state level. We want you to show us what can be

done, but you cannot come in and push these policies when we cannot back it up. It is a very difficult position for members to be in. So, use the resources you have at your state to show us what can be done on the state level. Show us that it works. If Oklahoma shows good results after doing away with ABAWD waivers, next year we will have the evidence to say that eliminating ABAWD waivers can work on a nationwide level. Even in a divided Congress and climate, these things can be pushed if we have the proper evidence to back up our claims.

With that, I will turn it over to Lisa.

Lisa Shelton: Good morning. Thank you for allowing me to participate in this event. Brandon covered a majority of the highlights. I will be providing the legislative background as I see it. Perhaps it is helpful for you to see the kind of world we live in. We had to deal with strict politics and vote counting. I am proud of the product we put together, but it was done in order to find the middle. My boss, Rep. Peterson, is a very practical politician. My assignment was to get it done. You know that means that there was not a single thing in the Farm Bill that was not discussed, and there was not anything anyone was thrilled about, but we did get it done. Yes, the definition of a perfect legislation is something that everybody does not care much about. So that is where we ended up.

So, the legislative background has been long in the making. We began meeting in 2011 with a super committee process. In fact, because of our bipartisan nature both in the Senate and House, we were the only committee to come up with a proposal to save money under the super committee process. But because nobody else did it, it was worthless - which was a shame. But it was a good starting point to start working together on the next bill, which was the Farm Bill for 2012. HR 6083 was another fine bill that never saw the light of day because it got caught up in politics. It was an election year and we did not get floor time in the House, unlike the Senate, to be able to get it done. So we took most of what was HR 6083 as the beginning of the bill in 2013. This bill was first called HR 1947. We marked that up in committee. We had very few hearings. We actually had no hearings on SNAP, which was unfortunate. Democrats had asked for that. I think it was felt that it was probably too entrenched at that point. So we focused on trying to find good policy and savings from my point of view. We knew to get it through the whole process, it would have to show savings. So we had been identifying and identified several places. We examined pretty much everything. The idea of work had started long before the bills. As a matter of fact, National Skills Coalition had become involved years ago and brought in Washington State, where the program was so successful. We were impressed with how that program had dealt with the SNAP population much differently than most of the other workforce development programs. They had impressive data to back it up.

The Washington model came to mind as we started work on some ideas for work. As you know HR 1947 went to the floor. Mr. Southerland's amendment unfortunately was too arch. It was not something that was discussed in a bipartisan manner, which was the tradition. If we had it earlier and we could have massaged and made it more appealing, it would have been fine. But it did become kind of a hot button issue and we lost a lot of Democratic votes. Actually, when we knew we were going to have to deal with some of the more severe amendments that late Monday

night (the bill was supposed to go on the floor on Wednesday) during a Rules Committee meeting we felt that we would lose. So we knew before going in, and sadly we were correct in that. We had a failed bill, and we had to pick ourselves up. We knew that there was interest in Southerland's approach, which kind of fleshed out some of our ideas on work beyond what Brandon mentioned. Congresswoman DelBene had pushed some of the workforce pilots with modest levels of funding, but certainly nothing as fleshed out as Southerland's. So, we had to combine them in conference, and I feel like with the help of a lot of people in this room and a few difficult days, we got it done, and I am proud of how it turned out. We think work is a goal to be attained. However, with us coming out of the recession, it makes it politically very difficult for our members to look at cutting programs when jobs are hard to come by. The way it has turned makes us very hopeful. Now, it is up to you guys to come up with something in which we can see tangible results, and use it to justify funding, and maybe to even expand funding in the future. Work is an obvious and very universally agreed upon idea to handle some of these issues.

I think that is all I have at this point. Shall we go to questions?

Questions & Answers

Doug Besharov: Thank you very much Lisa and Brandon. While everyone else is thinking of questions, I have one. I am going to pick up on something Brandon mentioned. Those of us who do demonstrations, research and evaluations, are used to projects taking a long time. Would you express what you hope the schedule is? I do not mean just the legislative schedule or the schedule established in the legislation. When do you expect to see results? Does that fit into the legislative schedule? Is that three to five years? Either of you can answer it.

Lisa Shelton: Farm Bills are roughly five years, and of course, that does not always happen. Our goal, or hope, is to have results before the next Farm Bill, which we expect in five years. So the answer is five years.

Brandon Lipps: I think that the legislative language is set up to make that happen. If you look at the dates in the legislation, everything there is backed up to five years within a realm that we think is possible for big data.

Doug Besharov: Just to be clear about this for everyone, people who are planning demonstrations and evaluations should be looking at a five year time frame. In the meantime, Lisa mentioned that you did not hold hearings on SNAP. Without asking you to make any commitments of any sort, do you expect that the Committee will hold any hearings on this provision between now and five years from now?

Brandon Lipps: I think there is no doubt that the Committee will hold hearings on this provision.

Lisa Shelton: As long as the Republicans are in charge, we will do what Brandon says.

Brandon Lipps: We hope that is a long time.

Larry Temple: Thank you guys for being here. When talking about job training and looking particularly at the ABAWD population, the benefit level is so small. If you are looking at the evaluation, what kind of savings do you have in mind? Savings to the benefit level? There are some that see that lower caseloads is not a good thing in the food stamp world. Whether people are working or not, we have seen incredible increases across the nation with states changing their eligibility criteria. What are your ideas when you are thinking about generating savings from these demonstrations?

Brandon Lipps: I think that even Republican members of Congress would say that looking at savings in these work pilots is the wrong place to start. I do not even know if we, or CBO did an analysis on that. You know we gave you guys \$200 million to do this thing, and we got no savings in return. Now I think both sides of the aisle believe that regardless of what these programs are, some people that are staying on these programs would go off and that there would be savings in excess of the \$200 million we spent. So we think there is net savings, and we think CBO should have given us credit for that. But CBO is not going to predict that. I agree with you that employment and training, and a lot of the work programs can be costly, and we are not spending a lot on ABAWD. If the question is how long do we want people to be on SNAP, then the question is not at what point do we save more money, but it is how do we get people back to work? There is a separate debate about how big the role should be, and whether we should serve people at 100 percent or 200 percent of the poverty level. That is a legitimate debate. But, in my boss' mind, it is a completely separate debate from how we get people back to work. We spend billions of dollars in numerous federal programs that focus on putting people back to work that are not connected to poverty program spending. It is a separate issue, and we did not do that analysis. It is a good point you make and I understand that. With ABAWD waivers, some believe that we should eliminate them, and put that population back to work. But the question that is unanswered, in my mind, is if we do away with those waivers, will that population immediately go back to work? Or will we have a bunch of people left on the streets that cause all of us problems? If we are not helping or pushing those ABAWDS to get back to work, then what are we doing with them? I think that is the question for the long term. It costs us \$125 per month, but if they sit on that for 15 years, then we are looking at different costs than if we serve them in a program for 6 months and get them a job.

Lisa Shelton: As far as process is concerned, we live and die by CBO. Whatever they say, that is the number. There is no fighting with them. So that has been one of the issues that has come up lately. Where we did find savings, will it in fact be there? That is what we were given, we go with it. For what it is worth, we did not get savings. We thought we should have. End of conversation.

Doug Besharov: This is something I think I have had arguments with CBO about as well. On some of these issues, if you did a poll of people in this room, or of people who do research on these types of issues, you would find that 80 percent to 90 percent would say that certain results are likely. Yet, CBO will not agree or move from its stance. The audience should know that this

really constrains the process on the Hill. There are things that are not done because you cannot score savings. I will say this so you do not have to: one thing that pushes toward block grants is CBO scores block grants as savings. If you do a block grant, and reduce spending by a certain amount, that is a saving. If you say you are going to do welfare reform, and you think you are going to get a large cut in spending, and even if everyone can see that, CBO will not score that positively. It constrains the process, and some of us wish there was a different process at CBO. I do not know if either of you want to respond.

Brandon Lipps: I think we agree.

Lisa Shelton: I think the budget analysts who work on this stuff are fine people and good at their jobs. I think they work under a set of assumptions and regulations, so their process constrains them as well.

Maura Corrigan: I really appreciate Brandon and Lisa being here and talking with us. Based on what you just said Brandon, I understand your goal to see real results in a way that is simple and measurable. A lot of our people on food assistance programs are working on this. The problem they have is the benefit cliff. So they use the various food assistance programs: Medicaid, child support, and so forth, as support while they are in low-paying jobs. Have you considered this? If so, how would you look at the real results stemming from the problem of underemployment? How do we move the underemployed past the benefit cliff into well-paying jobs, so they are not dependent on food assistance as well as other programs? In Michigan, I know that means they would have to earn \$28,000 a year at a job. I believe Larry Temple has done work on this in Texas, and it is \$40,000 a year there. I know a lot of us here have thought about the benefit cliff. Have you thought about that, and how do you think we should tackle that?

Brandon Lipps: When I say real results, I think you have to go back and look at the goals in the legislation. They are stated in there multiple times. One is to reduce dependency. I think we all agree that is a good thing. Another is to increase earned income. So we assume that a number of these people are working. While everybody has an interest in the measurable goal of getting people off SNAP, Republicans in particular want to see the number of people on these programs decrease, and the number of those in the workforce increase. We do recognize that a number of people are working, and that they use these programs as a safety net. We want to leave that in place, and we want to help them increase their earned income. Every dollar increase in earned income reduces their SNAP benefit. Even if you do not move them into a job that completely get them off these programs, you are still reducing federal expenditures on these programs. For us, that is real results. In a program that is spending \$80 billion a year, if you can increase the earned income of a significant portion of your population, you can reduce expenditures on a national level. While the ultimate goal is to get people off of these programs, an intermediate goal is to increase earned income. I think that is a significant part of this project, and we will see that. What we most recognize throughout this process is that we lack data, and experts do not agree at all, as we will see later today. We want to see a range of strategies tested. We want to make sure that they are all tested and that was part of the big fight. Some people do not like some of the things that others want to see. But at the end of the day, we have a bipartisan pilot that allows all

this to be tested. We are making it clear to USDA that is what we want tested. Your results might be different from Texas or Washington, but we want to see all of that as we move forward.

Stacy Dean: I want to ask you to spend a minute on the other aspect of this provision, which are the performance standards that USDA has to work with the states running all of the E&T programs. There has been a lot of attention and focus on the demos, and rightly so. But I actually think that the other aspect of the provision will help highlight the successes and struggles that states are facing. I think it is worth some attention.

Lisa Shelton: Absolutely. That is something we are always looking for. That has to be a big part of the evaluation. I do not have much else to add to it, but it is important.

Doug Besharov: We have a question from a webinar participant... The ABAWD waivers are critical particularly for residents on Indian reservations where there are very few jobs. Without these waivers, there are little alternatives for those residents. We should keep them in mind. Is there any movement on this issue at this point?

Lisa Shelton: There has certainly not been any movement coming from the Democratic side. Over the long course of working on this legislation, we did have a bill at one point - HR30102 (a SNAP only bill) - which was very much a partisan bill. It did include an elimination of ABAWD waivers. Although that bill passed the House, it was with no Democratic support. It was strictly partisan. A bill like that, though it has a purpose in a legislative body as a message maker, when it comes to conferencing with the Senate, it really did not have a place on the table. It was not going to work. That is why I mentioned at the outset that we require votes for something to move forward, and that one was not going to acquire the necessary votes. For the moment, I do not see it. ABAWD waivers will continue to be a topic of conversation depending on the makeup of these different bodies. For now, I do not think it will go any place, but you never know.

Brandon Lipps: I agree with Lisa. ABAWD waivers will continue to be talked about. People have questions about why these people are not working. It could be a variety of factors. It could be that there are no jobs available where they live. A "fair and balanced" news network recently introduced us to a guy named "Surfer dude," who will continue to be an icon for ABAWDs. So the discussion will be out there, but this is an area where states need to come in and say, "We can deal with our ABAWDs. We can use other state funds to put them back to work." But they have to show us how that is going to work. And when they can, that gives our conference some data that can be used to move forward with our friends across the aisle.

Doug Besharov: I am so glad you brought up ABAWDs. I am going to change the subject because clearly we are not going to have any legislation on that for now. I would like to take the opportunity, even though we are almost at the point of breaking to the next session, to talk about workforce development and job training. As I said earlier, there are two sides. At the risk of not knowing how you will both respond, some of the states are eager to develop more comprehensive responses to the unemployed or underemployed in terms of job training. Some would like to do more than the traditional model, which currently just refers the unemployed or

underemployed to a preexisting WIA office. Now in the end, it is going to be an FNS determination whether these demonstrations fit their procedures. But speaking from the Hill, I am hoping you will express within the legislation a more aggressive view towards providing high-quality job training.

Brandon Lipps: If I understand your question, that is why our entire “Employment training” section is out. This “Demanding outcomes” section details that if a state is going to provide employment and training with federal dollars, they are going to make it high quality and show us the results. There is the same expectation with these work pilots. The bill mandates that states work with the workforce development boards in developing these programs. We want to continue to encourage states to work together. We have had a bill in conference, the Skills Act, that wants to combine some of these programs. There is some disagreement in the language about how that is going to work. But, there is no doubt that because of state and federal bureaucracies, there is a lot of difficulty in making sure the programs work for everybody. It is a difficult subject, but I think we all agree that we want high quality workforce development programs as we move forward, and we hope that in five years you can tell us what those are.

Lisa Shelton: I would agree. The indicator is that we put money there. In this very tight budget, we were under extreme pressure to find savings wherever we could. Yet at a bipartisan level, we were able to find hundreds of millions of dollars to put toward work. Conservative members voted for it. That is an indicator that they feel strongly about it.

Doug Besharov: Thank you very much, Brandon and Lisa, for being with us. We are going to turn towards the next panel now.

SNAP Overview

Doug Besharov: You all know Jason Turner. He is the President at SIG. Before that, he was the Commissioner of Human Resources in New York City. Before that, he was in the state of Wisconsin helping plan their welfare reform program. Stacy Dean is the Vice President for Food Assistance Policy at the Center on Budget and Policy Priorities. She started at the Center in 1997 as a Senior Policy Analyst working on issues such as SNAP, the federal budget, and benefits for immigrants. Before that, she worked as a Budget Analyst at OMB, where she worked on policy development, regulatory issues, and a wide variety of income-support programs. I think you both decided that Jason would go first.

Jason Turner: I am going to say five things. Here is what they are in overview. First, food stamps has become so big and so enormous so quickly that we have to think as a country of what exactly this program should be like, and what characteristics it should have, because we as a country have invested so much money and tax revenue in this program. Second, the food stamp recipient population is different, but it has many overlapping similarities to the population that was served by welfare, and currently served by TANF. Third, we have confronted issues as a country over dependency on welfare and non-work among recipients. We tackled it in 1996, and

I am going to talk about what happened at the five year anniversary of that bill. Next, the current food stamp program as constituted, represents an incredible lost opportunity to help people move on and move up. We are not doing anything to help people. Food stamps is not only an income redistribution. It can help connect people and activate them. We are not using that opportunity, and human capital is at a loss. Finally, I am going to discuss what are the best options based on what we know going forward. Then, my colleagues at SIG and other states who are here will put some meat on the bones.

Let us just start by saying that I was surprised when the debate over the original Southerland bill broke out in the committee. There was so much opposition to what was intended to be, and essentially was, a copy of the obligations, requirements and activities that had already been passed into law under TANF. And, we had the results from TANF. To me, it looked like the Southerland bill was a very, very low risk opportunity. We also had a high degree of confidence of what would happen if it was implemented, including the fact that states could benefit by putting people back to work, and capture savings just as they currently do in TANF. But that provision became highly contentious.

It is important to say at this point that food stamp expenditures are very high, as I said earlier, comparable to welfare. Of food stamp spending, 70 percent goes to non-elderly adults and children. Food stamps are one large component of the welfare system, so often times it is characterized as being necessary food for people who do not have enough. But in fact, food stamps substitutes for what would have otherwise been spent in the cash system by households. It increases food consumption by about 30 percent, not 100 percent obviously. So, it is really an income redistribution system as opposed to a nutrition program, which is fine as long as that is what it is we wanted to do with it. But, it is so large now, and covers so many people, that we have to ask ourselves, is it really a targeted program for people at risk of not having enough food to eat? To give you an idea of how much it costs the individual taxpayer, we know that between one out of six, and one out of seven people are already receiving food stamps. It really has cut a swath deep into the middle class. The average annual food stamp payment by those who file a tax, where there is a net tax liability paid, is almost \$1,000 per tax payer. That is a big commitment. Are we using the program properly? Are people getting the most out of it? Or, is it really the middle class or the lower middle class trading groceries with each other? Because people have to actually produce the income in order to give it away. So the median 20 percent of American families pay in \$12,800 in total federal income taxes. Here we have a program, when spread out over all income tax payers, that is costing \$1,000. This is a huge commitment. We need to think about that.

Now, the thing that is so bad about food stamps as currently constituted is that there are so many individuals who are not working, or seeking for work, who are receiving food stamps. This constitutes the lost opportunity. The data shows the growth in non-working recipients. This growth is not the elderly or the disabled. Since 2001, which was the five-year anniversary of TANF, when looking at the growth in non-working recipients, the total number of non-working recipients has gone up from 2.3 million to nearly 9 million in a little more than a decade. Is this about the economy? I do not think so. In 2006, which was a boom year, and one of the best years

in the 2000s, and this number was already going up at that time. These are people we should be working with, and trying to integrate them into the economy. By and large, we are not currently doing anything like that. If you look at the chart examining the relationship between the number of U.S. families on AFDC/TANF, and economic conditions, we see that the change in caseloads is not related to the state of the economy. If you look at the early 1980s, which was a recession, you see caseloads going down. That was because of changes in the 30/30 rule. If you look at the 1970s, you can see it was going up and up. This is true for other time periods as well. There is just no relationship. Food stamps have a similar track record, which is that they are affected by the economy, but not consonant with the state of the it.

What happens if you are subject to non-work and you are a healthy adult? It is not only that food stamps is an expensive program, but it also hurts people. Research demonstrates that if you have a system where no work is expected, then this is what is going to happen. Idleness increases stress and deteriorates physical health. Mental health also declines when you are idle, and drug abuse increases. You are socially isolated because you do not interact with people at work. That, in turn, reduces your contribution to your community. There is an absence of advancement opportunities as well, because you are not on the job. Finally, there ends up being a resistance by the public to support individuals who are not trying to help themselves. Therefore, it causes social tension that we do not like to see. If we use the principles of welfare reform, namely that we should go in and try and work-activate those individuals who are currently idle, even though we may not be able to find a job in the private economy immediately, but if we can activate them that will be the first step towards achieving private employment. If you look at the second slide, you see the three big social indicators that changed during the first five years of TANF. Look at the amount of increase in the proportion of single mothers with no high school education. In the US, employment went up by 39 percent. In NYC, it went from 16 percent to 42 percent. Employment went way up, poverty went way down, and dependency went way down, including food stamp dependency, during this time.

The last thing I want to say about this is that what we want to try to accomplish is to get people on the employment ladder so that they can make progress on their own. That is the fastest way to increase their earnings. The average full-time employed person works 2,000 hours (forty hours times fifty weeks) per year. The average non-poor person works 1,750 hours. The average poor person works 660 hours per year. If you are thinking about doubling his income, you have two choices. If he is making \$10 an hour, you can increase his wage to \$20 an hour. Or, you can increase his number of hours worked per year from 660 to 1,300 hours. Think about it. Which one is easier? First one is hard. Second, by comparison, is easier. Thank you.

Doug Besharov: Thank you Jason. Now, Stacy.

Stacy Dean: Thank you for having me here. I really appreciate the opportunity. I have been given a big task to accomplish in a really short amount of time, so I will get right into it. I want to cover four main topics: my sense of what the purpose of the demos is; some of the key elements of SNAP that I think are important, especially for those who are not immersed in that world, in thinking about the demos from a national perspective; how the extraordinary flexibility

of the demos makes them a great opportunity; and finally, one or two of the key lessons from TANF that we want to keep in mind.

First, why are there these demos, given that in SNAP we have a program that already does a terrific job in supporting work and serves millions of working participants? I circulated a chart pack, which I will not go through, that summarizes the work that my colleague Dottie Rosenbaum did in a paper called, "The relationship between SNAP and work." I just want to pull out one or two key elements from that. As Doug mentioned already, about two-thirds of SNAP participants are not expected to work because they are children, elders, and people with disabilities. But, among SNAP households with at least one working-age non-disabled adult, 58 percent work while receiving SNAP, and 82 percent work in the year before or after. The rates are even higher if you look at just families with children. These figures were based on CIP and QC work from the mid-2000's, but some preliminary work we have done has shown similar results, although slightly smaller during the recession. Overall, the number of SNAP households with earnings has been rising for a decade, consistent with the increase in the overall caseload, and reached 6.5 million in 2011. This increase was particularly pronounced during the recession, which indicates that a lot of people turn to SNAP because of underemployment and unemployment. I would say that we do have declines in caseloads recently, as you would expect with the strengthening of the economy, which is a good indication that perhaps things are turning around for low-income families.

Given this level of labor force participation, and my perspective that we do not have a problem with respect to SNAP and work, why the demos and the Center's interest in them? Despite the fact that we have millions of people in the program working, they are in fact earning at levels so low that they qualify for SNAP. Their wages and hours are low, so they need SNAP to help them put food on the table. It is also a program for the temporarily unemployed. It is unemployment insurance for low-wage workers, so there are those that are looking to re-employ themselves. I think that finding ways to increase the skills of this group, and increase their employability and wages could lead to improved outcomes for them and their families. In addition, there are individuals on SNAP who are persistently out of work. They are not very well served by TANF, workforce programs or unemployment insurance. SNAP is the program that is reaching them, and therefore, represents an opportunity to help them meet their needs beyond food assistance. I think that is where Jason and I agree. Finding ways to address these individuals' barriers to work, or to provide them a path to employment through E&T, would be very desirable outcomes.

So, why the demos? As you have heard from others today, we do not really know very much about E&T, and what works with respect to changing outcomes for the SNAP population. It is not clear how effective the current investment is across the country, and what the best use of the program would be if we wanted to do better. We also do not have much information about whether interventions in other programs would work for the SNAP population within the SNAP structure. This is why the SNAP demos were born.

For those coming from different perspectives, there are four main things about SNAP which you should keep in mind. First, the populations served by SNAP are really different from those

served by other programs. For able bodied adults, it cuts across the low-income population, including those with steady labor force attachment, sporadic attachment, chronically unemployed and underemployed (including those with very serious barriers to work), and people with disabilities. The program serves families, including two parent households, single parent households and childless adults. We have called out childless adults, or ABAWDS as we lovingly refer to them in SNAP, as individuals with a particular issue within the program because they face a three month time limit in the program unless they are working twenty hours a week or enrolled in a very particular E&T program with relatively high or specific standards. Many states have traditionally concentrated on that group, and focused on protecting them from the time limit with a job training program, rather than focusing on an effective job training program that has the potential to increase their employability and earnings.

The second thing about employment and training is the scope of the current program. There is very limited federal funding. About \$99 million per year in grant funds, and an open-ended fifty-fifty match, which results in a combined \$0.5 billion in total federal and state spending annually. It is hard to say that is small. That is obviously a significant amount to the taxpayer, but in the job training world, it is relatively small. All states have job training programs, and they are varied. There are very few high-volume programs. You will also find that as you seek to work or collaborate with states, that there is not much of a staff structure at the state level with respect to SNAP and E&T. Many states will have one person's, or half a person's time. That is important. One of the great things about the demos is that they will allow states to spend money on shoring up their needed resources.

Third, voluntary and mandatory or compulsory programs are permissible. We have both that run the gambit of what states offer and how they combine those kinds of programs. During the recession, and in light of the high levels of unemployment, we saw more states moving towards offering voluntary skills-building, and education-oriented programs. So, for those from a TANF perspective, that might be a really desirable way to think about how to fashion or provide programs on a voluntary basis. For workforce people, since you typically are providing programs on a voluntary basis, you might be interested in whether your programs will work in a compulsory environment, while being aware that families are at risk of losing food if they are not successful in your programs. Fourth, unless specified, demos will be set up in SNAP's E&T structure. So, SNAP's requirements around supportive services, and around assessment and sanctions are the rules of the road. Becoming familiar with those requirements will be very important.

Let us quickly turn to the demos and discuss what is exciting, at least from the SNAP perspective. What is especially exciting is the incredible flexibility that is offered there. Description of the demo suggests that it allows states to test TANF-like work requirements in SNAP. While that is true, it is by no means required. It is just one potential approach. They are very flexible. They are more flexible than TANF and E&T. There is flexibility on the structure of what you offer, for example, relative to TANF. There are no hours requirements. There are no limits on education. Basically, there are no restrictions on voluntary or mandatory. You can mix as you deem appropriate. There is a very long list of allowable activities. From a SNAP

perspective, there are really three important ones relative to what you have always been allowed to do. TANF-like subsidized employment is less restrictive than SNAP subsidized employment. For example, employment as an actual activity, and providing post-employment services for more than ninety days. Also, what we have traditionally had as wrap-around supportive services, such as child care, transportation, and other similar expenses, can be interventions in of themselves. For example, you could offer child care to a working mom, and see if that results in increased work. You do not in fact have to have an employment intervention specifically.

Jason talked about some of the successes of TANF, and I am glad he did that. I think it is important to draw out lessons that we learned from TANF, and think about where we have not had as much success. I am just going to pull out three of them. One is that while some families benefitted coming out of welfare reform, many did not. We have an increase in the number of families with children living in deep poverty. So, knowing the consequences of what is at stake is important. If these families lose SNAP as a result of compulsory programs and sanctions, TANF in many instances is not available to them. The stakes are high. Second, the states do very rich assessments, but they are not always using those assessments effectively to develop a plan, and help individuals move forward. Employment plans do not always take into account individuals' aspirations, assets or barriers to their employment. I think there is a chance to do that here. We really believe that not enough has been done to build pathways for individuals with significant barriers to employment. TANF has the flexibility to do that, but only a few states have invested in barrier removal. So, there is an incredible opportunity to do that here and I hope we see that. I am going to wrap up there. We are incredibly excited about the demos, and I think that it is a great opportunity to do more for this population within the SNAP structure.

Questions & Answers

Doug Besharov: Thank you Stacy. I do not see any hands, so I will ask the first question. I believe deeply that unemployed and underemployed Americans often need greater skills, and greater aid, to work more hours and to earn more money. I truly do. But, I really want to push you here. You have five years to get these RFPs out and do all these things. How much of what you just said about E&T is supported by our experience? Or, do we just have a lot of work to do? What is the workforce demonstration if you are on a planning team? Not "Let us do. Let us be supportive." Now, you could say that is unfair or rude. That is why we have this imbalance. We know how to do job search, but I am afraid we are not nearly as good at job training for the various parts of the population that make up the SNAP caseload.

Stacy Dean: I do not find that rude at all. I am hoping that we see proposals along those lines. I know we have Director Stillman from Washington D.C. to talk about that particular program, and their enthusiasm for it. While I flagged it earlier, I want to remark again that pilots are one provision of the Farm Bill that was designed to invigorate conversation around E&T. The provision that will look at outcomes is also important, and also FNS and USDA have a number of activities right now to energize and improve collaboration between the federal government and states, and across states on E&T. I think skills-building plays an important role there. So, I think we cannot look at the pilots as the only path, but it absolutely is a path. The statute is very

clear, and the legislation history is abundantly clear that there is an expectation of trying to do workforce and skills building within the SNAP program as a part of the demo, but certainly not as the only pathway.

Robert Doar: There was a comment about the how the demos require that certain aspects of the current SNAP policies remain in place. You referenced consequences and sanctions for noncompliance. I am not sure if I heard that right, so could you explain that in a bit more detail, and what that means for states interested in proposing demonstration projects? What would they have to comply with if they were to make it work?

Stacy Dean: Sure, I will flag a few and if I forget some, FNS can jump in. For example, I do not think this is a surprise to states, there is a requirement that people in compulsory programs receive supportive services that are reasonable and necessary for them to participate. For example, child care and transportation would be costs that fall along those lines. Those rules of the road are still in place. The assessment that each individual must to be screened as to whether a component is appropriate, so if you are looking at a skills-based approach, that raises different questions about assessment or thinner service. Of course, there is the determination for noncompliance and the state flexibility around the level of sanctions in a compulsory program. SNAP has rules regarding that. There are other things, for example things like fair labor standards also apply. I do not think there is anything revolutionary or anything hidden there. My point is that SNAP rules apply, and we are not creating new rules under the demo.

Robert Doar: And, they are different from TANF?

Stacy Dean: Yes, they are. You know, the first sanction has a range of one to three months. Each following sanction has its own range of penalties. The limits on applying sanctions on an individual and family household are articulated very clearly in the statute.

Doug Besharov: Thank you very much, Stacy and Jason. We will have a 10-minute break here and continue after that.

Job Search and Related Work First Strategies for State SNAP Pilots

Jason Turner: I would like to introduce Moira Johnston, who is the Chief of the SNAP Program Design Branch at FNS. She will have some remarks relating to what we know so far about how FNS intends to roll out this program. She has told us that she must be careful to not over-describe what the circumstances are but we will be happy to hear what she can tell us. Please go ahead.

Moira Johnston: Thank you very much for inviting us here, and affording us this opportunity to listen and to learn from you about E&T and your thoughts on the pilots in the Farm Bill. It goes without saying that SNAP remains a crucial component of the nation's nutrition safety net. It is also an important support for working families. Forty-two percent of SNAP participants live in

households with earnings. A majority of SNAP participants who can work do so, and many have strong attachment to work. We know that these households are financially better off if they are employed and have earnings. The SNAP deduction for earned income that accounts for work-related expenses, and for child care expenses, helped encourage work. At the same time, we know that there are participants looking for work or trying to find better paying jobs. Some SNAP participants face significant barriers to employment, including mental, physical and educational barriers. We see an important role for SNAP E&T programs in reducing some of these barriers, while helping participants gain skills, training, and experience that can lead to employment and self-sufficiency. All fifty-three state agencies employ an E&T program. As this group knows, they have tremendous flexibility in the types of services they provide, the population they serve, and where they operate projects. Some run mainly job search, job training and readiness programs. Others operate multifaceted, statewide programs that leverage resources from other sources.

In FY 2013, USDA began working with interested stakeholders to identify ways states' E&T programs could be more effective at preparing people for employment, and placing them in jobs. The Department and other parts of the administration have stressed the importance of training Americans with the skills employers need and matching them with available jobs. Many state agencies are creating SNAP E&T programs that are demand driven and that will provide SNAP participants with the skills they need to obtain good jobs and increase their self-sufficiency. We are particularly interested in moving to this kind of model, and away from what our Secretary calls the "train and pray" model. USDA expects that resources provided from this Farm Bill will help connect even more SNAP participants with better work opportunities and will identify best practices that we can share with all states. As you know, the Farm Bill provides \$200 million for E&T pilots. And as you all know, pilots must be evaluated independently. Beginning in 2015, USDA must submit annual reports to Congress.

The purposes of these pilots are to raise the number of work registrants who obtain unsubsidized employment, increase earned income and reduce reliance on public assistance. In order to qualify for a pilot, a state must have a robust data collection system, commit to work with the state workforce board, and maintain at least as much state funding for SNAP E&T as it had in 2013. The Secretary may set additional criteria for the pilots, and if this is the case, the additional criteria will be included and outlined in the request for applications. The pilots must test a range of strategies, including targeting individuals with low skills, ABAWDs, and those that are working. They must be located in a range of geographical areas, including rural and urban areas. They must test various strategies, such as education, rehabilitative services, and rapid attachment to employment. Finally, they must test voluntary and mandatory participation in E&T. The Farm Bill also establishes a time-line for the pilots. We must publish a request for applications by August 2014, give states 90 days to respond, and announce the pilots by February of 2015. Once we release the solicitations for these pilots, we plan to host a webinar for interested parties.

Opportunities such as this conference are important for us as we gather feedback and input from interested stakeholders on all the SNAP provisions, including the E&T pilots. We have also met

with other federal agencies and workforce experts to learn about workforce development strategies which will help inform us in structuring the request for proposals. So, thank you very much for including us in this forum, as it is one more avenue for us to listen and learn. I look forward to hearing your presentations today.

Questions & Answers

Jason Turner: Thank you very much. I think we are just going to open it to a few questions before we move on. Any questions?

Robert Rector: I am from the Heritage Foundation. My interest is in programs that would be up-front dissuasion programs for ABAWDs focused on supervised job search or something like that. As I am understanding what you just described, you would not be able to run a focused job search program for ABAWDs. At least you would not be able to do that alone under these waivers. Is that correct?

Rich Lucas: I am going to jump in for Moira. I am also with the FNS. Part of why we are going to be quiet and reticent on this is we want to preserve the competitive brasses obviously. As we are working through the process of developing the request for proposals, we want to lay out with specificity these different issues. We would like to reserve on that for now.

Doug Besharov: I promised Moira and Rich that we would not take substantive questions relating to what their plans are. I will answer the question, and Moira can just nod or not. I was listening to Moira's comments very closely, and what I think she was referring to was FNS' obligations for the kinds of projects they had to fund. She was not stating, I believe, that every project that came in had to address everything on the list. In clarification, it is not that a project has to come in with everything in the proposal, it is that FNS is under an obligation to be as broadly experimental as possible. That is partly due to the audience here, and partly due to the Democratic-Republican push to ensure that FNS addresses the issues of both parties according to the legislation. I see nodding and agreement.

Jason Turner: We will move on to hear from Robert Doar. He is the former commissioner in NYC and worked as the state commissioner as well.

Robert Doar: I am learning a new life here. I want to be very clear in my remarks today that while I was the Commissioner at HRA, and previous to that Commissioner at the State Office of Temporary and Disability Assistance in New York, I am no longer in that position and I am now at the American Enterprise Institute. Jason asked me to reflect on New York City's experience with work programs and employment services for SNAP recipients, including ABAWDs and others. As background, New York City has a very strong Work First, TANF program. We had very strong messaging about rapid attachment to employment. We had a very elaborate structure with seven vendors who were very focused and professional, and had national reputations in employment services. We paid for performance, offered transitional jobs and had a very elaborate work experience program for those who could not rapidly move into employment. That

is the culture of the agency, and it predated me, but it has been that culture in New York City for a long time. We had some great success, some of which Jason referred to, with regards to both job placements and the extent to which labor force participation rates increased significantly and poverty declined.

New York City, this is not a surprise to people in politics, is a blue city. It is not a conservative place with respect to public assistance. We are generous, but that is not to say that conservatives are not generous. But not withstanding that, through two recessions, we were able to refuse the ABAWD waiver. Despite the program's ups and downs, we ran a program publicly and operationally that was able to help people on food stamps, and help ABAWDs to get into work. How could NYC do that when many other places were not able to, and during the recessions too. I think of it this way, which is just a thought experiment. If you had an elaborate employment services program, and you had a large growth in SNAP participation stressing it as work support, certainly for the last eight years, we have never been the ones to say that it is an important supplement to wages, and you had a client who was single, had no children, was neither elderly nor disabled, and was seeking a SNAP grant which you knew to be quite low, how could you not invite them and encourage them? And because it would be more successful in helping them get employment, and raise their earnings, and raise their incomes above poverty, it is feasible to require them to participate in this elaborate infrastructure that you have established. That is how we felt. We felt that if we were to turn away from individuals who were coming to us only for food stamps, which we knew to be low and insufficient, and designed to supplement wages, not to entirely replace them, how could we not encourage them to be part of that? So that is what we did. Mayor Bloomberg was not shy about it either. This is not something we did in NYC quietly and sort of non-politically. There was some elaborate story that suggested we might take the waiver, and the mayor very explicitly said "No." We had a very elaborate infrastructure with strong emphasis on Work First strategies that would specifically help the ABAWD population succeed, and we felt that it would be a mistake to not offer that. We felt that we had a moral obligation to do so.

Now, the aspects of work requirements and work focus in the SNAP program are not simple. That was something I was trying to discuss with Stacy. It was complicated, and it was not as easy as it is in TANF. States that are considering pursuing these demonstrations need to think and plan carefully about how they are going to establish both the technological apparatus, and the infrastructure to support the reporting and tracking requirements of the SNAP program, which are different than in TANF. Based on my reflections on NYC, a blue city that wants to help low-income Americans, and does not shy away from providing assistance to working people to make those wages go further and raise incomes above poverty, I have to strongly emphasize that it takes earnings, and you cannot succeed without raising earnings. If you have people who are not working and receiving some kind of public assistance, unless you expose them to a strong employment services program that is pushing them into employment, I think you are really letting them down.

There is one last thing I want to say about ABAWDs. One thing I have learned in my experience, both at the city and state level, is that our public assistance programs are extremely targeted, and

appropriately so we care about children and households with kids in them, but single individuals are not really part of that work support structure. The biggest example of that is the earned income tax credit, where households with children get a generous tax income credit and single individuals get virtually nothing. There is a lot of talk about expanding that, and Mayor Bloomberg considered doing that. But when we are talking about ABAWDs, we are talking about people who, unless we make these programs available to them, are left out of opportunities to increase their earnings. That concludes my reflections on my experiences in New York City. I want to be clear that it was not always easy, as there were complicated issues related to reporting and tracking. But the message was that it takes both assistance and earnings to help people rise above the poverty line.

Jason Turner: Thank you, Robert. That was very well done within the allotted time. Clarence Carter is currently the Director of Arizona's Department of Economic Security, but he was also a federal official at HHS running the old OE program, and has held other posts including here in Washington D.C. He has broad experience, and he is going to be talking about the initiative he is running at the moment in Arizona.

Clarence Carter: Jason, thanks so much for this opportunity, and my appreciation to everybody who is part of bringing this important dialogue together. I have been in the administration of safety net programs at the federal, state and local levels for a little more than twenty years. I was very moved by one of the slides that Doug showed. About six years ago, I was the Deputy Administrator at FNS in charge of the food stamp program. At that point in time, it was a \$30 billion program. It has more than doubled since then. I think that should be alarming to us. I consider myself very much an outlier amongst my human services colleagues in that I believe the construct of our safety net program is flawed by design and operation. It does not need tinkering around the edges. It needs significant rethinking, and I feel that these demonstrations will be an opportunity for that significant rethinking.

What I want to talk to you about for a couple of minutes is a demonstration that we are working on in Arizona. As I said, it is our thought process that we have a challenge in design and operation of our safety net at large. We focus more on the delivery of services, benefits and goods, and much less on growing the human capacity of people that need these services, benefits and goods. It is my argument that the safety net ought to not only act as a hammock, but also as a trampoline to help individuals bounce back into being high functioning members of society with a reduced level of dependency.

We are trying to demonstrate a person-centric approach to our safety net. Our demonstration project has a number of components. We are the principal poverty agency for Arizona and serve 1.6 million people, which is a little more than 20 percent of all Arizonans, across forty programs. We are also one of the four states that has the Labor apparatus within Economic Security, and that allows us to blend this notion of work with safety net really well. The base component of the demonstration is that we are taking and focusing on 1,000 individuals that we serve across the Economic Security enterprise. The idea is to choose those individuals, and set a baseline for them based on their presenting circumstances. Of course, we want to look at their literacy level,

income level, and the degree to which they participate in the underground economy which charges a premium for goods, services and benefits. We will develop a set of indicators for each of these individuals, and with very robust assessment, develop a plan to grow those numbers. Our notion is to make our safety net very person-centric, and we feel that for every individual who comes into our system, in addition to certifying their eligibility, we ought to be working on an exit strategy. Why is it that we want to help individuals and families grow beyond this circumstance as quickly as possible? Not because we do not wish to serve them, but because we do not feel like subsistence in our public assistance system is the best function for anybody.

So, we also have in addition to our demonstration project a State Governance Group in which we are bringing in together a number of agencies that administer safety net programs. As part of this, we have done some research. There are 336 federally authorized safety net programs that serve low-income individuals and communities. We began by only mapping the programs at our agency, but we quickly realized that we needed to map all of them across Arizona. We made the argument to our governor that we really need to bring together all of these entities in a safety net cabinet. This would allow us to figure out how we were going to execute a shared vision of growing the capacity of individuals jointly through our State Governance Group. We believe that ultimately there will need to be a new federal funding model, and we feel that this demonstration opportunity will allow us to showcase the elements of what that will look like. It also needs to have a federal policy model which is focused on growing the capacity of individuals rather than just providing services, benefits and goods. That is the operating model for our demonstration. Initially, it was our intention to engage about 1,000 individuals. We have had to scale that back because of funding. So we are looking to engage 200 individuals, and test and evolve tools and processes which are about growing the capacity of individuals. Our goal is to implement, test, refine and expand an integrated case coordination model. Our case coordination model literally focuses on bringing together a wide array of benefits, goods and services in furtherance of the plan to grow the capacity of the individual. Then, we will develop and refine outcomes and metrics.

What is most important is that we are going to measure whether or not we can intentionally grow human capacity, not whether or not we deliver the benefits, goods or services. For this demonstration, I do not care about the participation rate, or the amount of services or goods provided. What I care about is whether we were able to help the individuals that we served to grow so that the public assistance program becomes a mile marker in a life's journey, not a destination. Thank you very much for this opportunity.

Jason Turner: Thank you very much. We are all going to be looking out for that, not only for its impacts, but also for the process that you are using, which is interesting in itself. Kathy Link is Utah's Food Stamp program manager. Utah has an interesting program for reaching a large amount of people at a fairly low cost. Part of it was informed by an online program designed to put unemployed people back to work. It was tested using random assignment, and found that the length of time people were unemployed was reduced by one week through this process. Now, Kathy is managing an extension of that idea.

Kathy Link: Thank you. I work for the Utah Department of Workforce Services (DWS), and DWS is Utah's one stop. In addition to managing TANF, SNAP, child care and Medicare eligibility programs, we also do unemployment insurance, labor exchange, and WIA. We have long thought of SNAP as a work support in my department. About two to three years ago, after we were looking at how to better utilize our resources in our E&T program, we looked at what our Unemployment Insurance (UI) division was doing. So, we have modeled this program after our online tools that were developed by our UI division.

Just a couple of points about our program. We have 94,000 SNAP households today, which is about 235,000 recipients. We serve only mandatory E&T participants. That was a change made when we implemented this. This was a statewide program. This is for everyone who receives SNAP in the state. We do not do this geographically. We have about 8,000 mandatory E&T participants (out of 235,000 SNAP recipients) per year. In our program, participation is required 3 out of every 12 months, and our focus is on job search. The participation requirements are registering for work, completing an assessment of their job search readiness, completing necessary workshops which will improve their job search readiness such as resume writing and interviewing, and then, actually complete job search. Forty-eight job contacts are actually required during this time. The hope is that they will not need forty-eight to become employed, and they will have obtained a job long before reaching that number. All of these requirements are completed on our website at jobs.utah.gov. We do have computers in all of our employment centers around the state that people are welcome to come in and use if they do not have access to a computer otherwise. We have staff who can help with that process if people are unsure about using the online system or about any other aspect of the program and its requirements. Because we serve mandatory participants only, there are sanctions that are imposed if people do not complete the requirements. The first sanction is for one month until they participate, it then increases to three months and six months for subsequent sanctions respectively.

We implemented this program in December 2012. We have just been able to start gathering data on how it is doing. Our initial data is significantly different than what our UI division has realized. We also serve a different population. We start people's participation by sending out a letter outlining participation requirements so that participants know what they need to do. Twelve percent of all mandatory participants actually completed their participation requirements. That is not a great rate. But what we are encouraged by is that for people who did complete participation requirements, 48 percent of them have wages, and of that 48 percent, only 27 percent are still receiving SNAP. That is really encouraging because it suggests that we have a program that works if people complete the participation requirements. Eighty-eight percent did not complete the participation requirements. Some people among that group completed initial participation requirements, but 77 percent of the group never even logged on. That is where we need to engage people so that we can have more people log on and complete the online process.

So, we are currently trying to figure out how to improve participant engagement and we have been discussing different options to do that, such as offering in-office orientations that will help participants step-by-step on how to complete the program successfully. The staff might have to play a highly active role in helping participants complete as many requirements as possible while

they are in the office, and ask them to come back as needed. Our thought was perhaps to send reminder letters to attend these orientations. We have not made a decision yet, but it is what we have been discussing. Thank you.

Jason Turner: Thank you very much, Kathy. We are going to turn it over to Florida. Chad Poppell is the Chief of Staff at the Florida Department of Economic Opportunity.

Chad Poppell: My presentation is not specific to SNAP, but it does cover some of the things we have done with workforce principles and other entitlement programs, and some of the other services we are offering through our workforce system that we think are having an effect. I want to start by briefly talking about where we were as a state. We were one of the hardest hit states during the recession. Our economy lost over 800,000 jobs, and our unemployment rate was up to 11.4 percent. Long-term drivers of our economy, homebuilding and tourism, had pretty much stalled out. We were not really in good shape. Like most of the country then, the demand on our entitlement programs began to increase. Our unemployment rolls rose to over 700,000. The downturn, coupled with some policy changes around eligibility to SNAP in 2010, dramatically increased SNAP participation.

During my allotted time, I want to focus on four areas that Governor Rick Scott emphasized, and where we think we are having an impact. Since a lot of us here work for politicians, I want to note that this is not just a talking point for the governor. He does really want these people to get jobs. He comes from a family that depended on public assistance, so this is a very personal issue for him. To start out, he aggressively attacked policy structures to turn around the economy, which included tax regulations, other smart economic regulations, paying down debt, and many others. But he also refocused our government and reorganized it around making jobs, and getting people into jobs. He created the agency that I work for called the Department of Economic Opportunity, which basically combines commerce, labor and community development activities. It allows us to sit atop the economy, so to speak, and see what is working and coordinate and collaborate. It has been very effective. We do deliver the E&T components for UI, TANF and SNAP through our workforce system.

One of the big policy changes that was initiated in 2011 was to our unemployment insurance program. It was re-branded as “reemployment assistance”, which refocuses what the mission is. It really charged the state to partner with claimants to help them find work. At the same time, we were to provide them with resources and tools, resulting in kind of a blended approach. An example of a key change is the use of an online workforce system. Claimants had to make at least five employer contacts each week. For areas of the state where opportunities were limited, that requirement was lessened to accommodate the participant’s presenting circumstances. A skills assessment was required to continue receiving payments. So it was a tool that our workforce system could use to help train or place people. Then, we tied the maximum weeks of benefits available to the condition of our economy. So every week we would look at our unemployment rate and we adjust the maximum number of weeks available.

Thanks in large part to an improving economy and these policies, we have seen our

“reemployment assistance” placement rates increase by 50 percent from January 2012 to January 2014. Just as a side note, our unemployment rolls have gone down from 700,000 claimants to about 120,000 claimants as of today. The governor tracks and reviews job placement data, and receives reports on a daily, weekly and monthly bases. He holds the workforce system accountable by setting goals and tracking performance. This on its own has resulted in a more effective system that addresses the needs of claimants.

We have also set aside some funding for a plan to double employer involvement, which we believe will help our workforce system to improve job search and placement. We believe that involving more community businesses that offer services will have a big impact. We have set aside \$2 million for our workforce system budget for this purpose, and we think this will have a large impact on the long-term unemployed, and on those with significant barriers to employment. We know that there is stigma attached to this population, and it is difficult for them to find work. We think that efforts like job fairs, recruitment workshops, trainings, and referrals can have positive effects. We have already seen a dramatic increase in the number of businesses that are participating.

We have also partnered with the Department of Education on a couple of tools that we think are pretty neat. In our Economic Security Report, we provide information on public institution graduate employment, earnings, and other outcomes to interested parties such as students and parents. This allows people to better understand what they are getting, and will get out of their education. This will help them choose and plan paths that will result in employment, higher earnings, and other positive outcomes. You can obtain information like the length of time required to complete a certain degree, the level of student debt that will be incurred, the likelihood of gaining employment, the length of time that it usually takes to gain employment with a certain degree, and other useful information. This tool depends largely on real data, which is great because that allows for informed career decisions. Here is an example of what a sample report/analysis would look like for someone trying to choose between a degree in nursing or psychology. Based on the data provided, a degree in nursing is associated with higher earning potential than a degree in psychology.

Another tool we have is the analysis of our labor supply. This is used on the economic development side as well as the workforce side. This tool allows us to take a picture, and gauge what our labor supply and demand will be across regions. So, with this tool we can answer a question like, “Is there going to be a shortage of engineers in a particular county in 6 months?” It is also helpful on the business development side when we are trying to locate businesses. For instance, we might want to know where there is a surplus of nurses so that we can advise a health care firm to locate and operate their business based on such an analysis.

I want to finish up by bragging a little bit about the governor with a before and after story. We have really turned the economy around in Florida. Unemployment is down to 6.2 percent. Some of the key economic drivers that we are excited about include the addition of over 540,000 jobs since December 2010. Our online job demand, which is how we track demand, is at a record high with over 260,000 job openings statewide. So, we are looking at different things we can

continue to do with our workforce systems as new opportunities arise. Thank you.

Jason Turner: Thank you, Chad. I neglected to welcome another one of our members, so I want to use this opportunity to welcome Secretary Sidonie Squier from New Mexico's Human Services Department. Welcome. Finally, also one of the SIG states scheduled to be here, Larry Temple from Texas.

Larry Temple: Thank you. I just wanted to talk to everyone here, and our federal partners, about how evaluations look at outcomes and processes. I am going to give you an example. We have been very successful in running our SNAP E&T program. We have an entered employment rate of our ABAWDs somewhere in the 60 percent range. That is the quarter of our after. We also had about a 3 percent earnings gain over the following three quarters. So we look at this as a successful initiative. We tried to simplify it at the local level. We are referred to any of those individuals who are not working thirty hours instead of twenty hours. This matches up with the thirty hour requirement for TANF, which is what our people at the local level are operating. Therefore, it is a little easier to report and for consistency. It also certainly helps to drive the message that if someone comes in the program, we are going to find work that is as close to full-time as possible.

In the TANF program, we were looking at exactly how much time we were spending on the process. In general, we found that we were spending half the time chasing papers. We were spending time on figuring out minute and unessential details that had little to do with our desired outcome, which is getting people employed. We listened to people in the field, and we came up with a new measurement. We do not do a participation rate anymore. All we want you to do is to report to us how many people you got employed at 30 hours or more in subsidized, unsubsidized, and on-the-job training. The employment measurement is, I believe, monthly, and the goal is to have a 75 percent rate. We do not care how you get there. If you think you can put everyone in thirty weeks of job search, and still make that 75 percent goal, good luck. The math just does not work. But we do not care how you get there. This is the outcome we want. Our job placement rate is averaging 82 percent, and it has increased since we put this in place by, I think, six percentage points. Our resources are being focused more on the outcome than the process.

In the end, when we have these successful pilots in five years, and when we start rolling out regulations possibly regarding this, give states what you want to see, and let us figure out how we get there. It will save you a lot of time, us a lot of time, and it will definitely benefit the customers we serve. Our average time to put someone in a job is now under forty days. At the height of the recession, it went as high as forty-five. Before the recession, it was around thirty days. We talk about barriers. When we look at the thirty day average to put someone in a job, our definition of "hard-to-serve" is someone who we cannot place in a job within forty days. Let us figure out what the problem is at that point, and find other avenues. That saves a lot of time, and it saves resources on things like assessments. That is kind of our definition of "hard-to-serve". That is really all I had to say. Thank you.

Jason Turner: Larry, did you show your slide that indicates the actual change in the proportion

of people going to work after the announcement was made? If not, I am sure it will be made available later. Howard Rolston is a Principal Associate at Abt Associates. As many of you know, he was also at HHS with the Administration for Children and Families (ACF) for many years, where he was in charge of research and evaluations. He recently published a book, along with Judy Gueron, on the history of evaluations in the old welfare system. It is a very interesting read, especially for many of us here.

Howard Rolston: We do not have my slides here, so I will have to figure out a way to do this effectively without them. This is an area where we actually have a large body of high quality studies, and that is a great benefit. But what that means is that, for any particular study, since it is high quality, we can be pretty confident of what the findings were. As we move from one study to multiple studies, and we begin to think about what it is these studies as a body say, we are still in the realm of science, but there is more art involved. When you progress to what it means for policy and practice, there is a lot of art involved. I guess one way to quickly summarize this would be: we have a lot of information that job search assistance works, but that it also involves a lot of different things. It is not simply job search assistance. It is also a broader body of interventions that are often referred to as Work First. As Robert Doar was explaining earlier, what was going on in New York City was not just job search, but it was job search combined with different activities. So, in looking at this research, we are not thinking about just job search.

The second thing that is really an important caution, is that the findings are not about Food Stamps or SNAP. They are primarily about other programs, in particular these three programs: AFDC, and UI programs in the United States and Europe. If we look at all those programs, we find clear evidence, with particularly strong consistency, that these programs produce declines in benefits and caseload. That shows up as a pretty consistent finding across the studies. What is less clear is the evidence on whether they also increase earnings and income. I think in the UI literature, there are some studies that show declines in caseload with no increases in earnings. In the AFDC studies however, there is evidence of increases in earning with considerable consistency. It may not be universal, but generally these programs produced increases in earnings. Another pretty consistent finding is that they generally do not increase people's earnings by themselves. That is basically because the increases in earnings were offset by decreases in benefits. Thinking about this in connection with the SNAP program, one might see very different results because the benefit reduction rate in AFDC was very high. On average, there turned out to be at least a dollar-for-dollar reduction. One would expect, if their earnings increase in a SNAP program, to see increases in income also because of the slower benefit reduction rate. I was a little surprised by, and I am not quite sure what Doug meant by, long-term earnings earlier in his slides. I think one could expect from these programs a sort of peak of earnings effect, somewhere around two and a half to three years, and essentially nothing after five to six years, when the effects declined to zero.

What do we know about what the active ingredients are? Most of these programs involve both requirements to do something, and specific content of the services that people might get in job search, whether it is help with job resumes, referrals to employers, or other services. I think with respect to AFDC, there is not a lot of evidence. There is one very high quality study that

basically attempted to differentiate between the effects of requirements and the effects of the study, and it showed some of both. But it is only a study of two places, so I think it is pretty limited. For UI, there is a stronger body of evidence. I think this has been more systematically looked at, and the evidence seems quiet consistent that there is a large impact for enforcement, and very small to zero impact for assistance. Clearly, there is reason to think that these could be relative to the population. I should also say that there is a significant amount of research that shows job search assistance programs, apart from these programs, do have positive effects. So, that could imply that the services themselves could be effective for some populations.

One way to summarize is that job search assistance has typically been a low-cost intervention, and it typically has not produced large impacts. Impacts tended to be very small and to dissipate over time. We briefly mentioned entry effects. That is, does job search as a requirement decrease the proportion of people who apply for the assistance? That is a question that is not very well examined. It is clear that some people are expecting there could be large effects, and one could say that was not very well examined in the studies because those were not the kind of programs that were examined. The evaluations were not designed to do that.

I want to say one thing in closing that I think is relevant. This is an area where there once was a number of great studies taking place, and AFDC/TANF studies aside, there have been few studies recently. But things are changing. We are doing a couple of studies at Abt. One is for the ACF, which is a random assignment study on different job search assistance strategies. We are doing that with Mathematica Policy Research and APHSA. Then, there is a study at DOL we are doing which is a random assignment study to actually look at the effects of assistance over and above enforcement. I bring those up particularly because they are relevant to the FNS, and because it could be valuable, as you design the study and think about the evaluations, to think about it in the context of other ongoing work that is in the same as your colleagues in other agencies.

Doug Besharov: Thank you, Howard. We messed up on having your slides here, so my deepest apologies. But you did great anyways.

Questions & Answers

Jason Turner: Let me start by asking this question to Howard, and then turn it to any of the state members who made presentations. If I am understanding you correctly, and the unmeasured entry effects were primarily responsible, for the employment results of the first several years of TANF, is it not possible that people as a general matter can get jobs on their own? And what Work First interventions do is less a process of going through it and more allowing the individuals to see the relative opportunity of making their own decisions and getting their own jobs? And if so, should not that be part of the upcoming evaluation of these demos?

Howard Rolston: I think you have a big hypothetical there. I think the question is not just whether people can get jobs on their own, or with or without support. I mean to know that, you would have to know what the earnings impacts were, and we do not know that. Many people

may just decide they can do without the assistance, or live with less. What I was basically saying is, if there are large effects, and the effects are not just manifested in people getting jobs, but people actually do not show up at the door at all and apply for assistance. This implies that the knowledge is in the community, because otherwise they would come in for assistance and they would have been captured in these studies. But if the effect is kind of this community atmosphere so people do not even apply at all, then it will be important to think about two things. One, realistically, what do you expect is going to happen from the nature of the intervention? Because I have seen that claim made where there just was not enough substance to support it. Secondly, and most importantly, where it is plausible that it is going to happen and there is an intention for that to happen, then it is very important that the research design be such that it can be captured.

Jason Turner: Anybody from one of the states want to comment or ask questions. Then, I can open it up to others after that. Larry?

Larry Temple: One of the things we found or had a delayed positive reaction about, in reference to our TANF program, and we have matured and really developed our work program over the years, was that the percentage of our ex-TANF participants that are now eligible for unemployment insurance was incredible. Ron Haskins called and said, “Your caseload is going down. I do not understand. Everyone else’s caseload is going down. Are not these people coming back? Is not that really the safety net when you have these layoffs?”

Secondly, the service industry, where we put a lot of individuals, is almost recession-proof in a lot of parts of our state, and in other states. But we are finding that 77 percent of those that applied for UI were monetarily eligible. In the past, it had been about 3 percent because they just did not have enough quarters to qualify. Haskins said that he had not figured about TANF, or other welfare programs including UI creating a safety net. It relates to some of the things that Stacy was talking about earlier. It is not just about getting the job. It is about the support beyond that. Such as, whether there will be child care, training on the job, working with an employer, and so forth. Demand-driven means that employers have to tell you what is going on and what they need, and that is really important to keep in mind.

Stacy Dean: Kathy, you talked about how the SNAP job search program you have now is imported and modified from UI, but you also have a job search program for TANF participants that I think is a bit different. So, if you could just talk about that and explain the differences, because I think that is a unique approach as well.

Kathy Link: I am not an expert on our TANF requirements. I can just tell you that they are different and they offer more supportive services for our TANF recipients than we do for the SNAP E&T program.

Doug Besharov: I have a question, and you can answer by a show of hands from the state members. If one were implementing a Work First job search assistance program, how many of you would try to do it within SNAP, or with a referral to the TANF program, or UI?

Robert Doar: TANF.

Clarence Carter: UI.

Larry Temple: Where would I find employment services? I would go with my one-stop system that operates everything. They do the employment services. It is generic.

Chad Poppell: Florida is set up like that as well.

Sidonie Squier: TANF while I am fighting off my Workforce Secretary.

Jason Turner: What about you Maura?

Maura Corrigan: I am not sure where I would take it. I am more interested in going directly to the employers. We are setting up things we call employer resource networks, where there is direct support, and our workers are going mobile. We are putting them directly in contact with the employer because our interest is in sustained jobs, and we are trying to make sure that we answer the employer's needs to retain that employee. So, our workers are going directly in and visiting employers to help on issues such as transportation and child care, which are problems or barriers to sustained jobs. We can get them to the jobs, and we have employers that want to hire them. We cannot keep them in the jobs because these issues arise. So, we are trying to shape our jobs search so that it is not artificial, and we are trying to figure out how we can match up employers with employees, and have my agency directly support them. That is what we are experimenting with right now.

Doug Besharov: Is that across programs? Are you doing this for more than just SNAP?

Maura Corrigan: Yes, across programs.

Doug Besharov: I think this is one of the things we all want to hear. To some extent, this is an example of what we are going to create: a separate, free-standing thing to serve these demonstrations. I am hoping that people hear that because that is going to complicate the evaluation in many ways, but it also may enrich the services. That is going to be important to capture. We are now going to the Secretaries, and then Robert Rector can go.

Reggie Bicha: Colorado, which we will talk about after lunch, is a local control state so that question is being answered in sixty-four different ways because every county has the ability to set up a unique relationship. Some counties, like Denver county, would likely move it through their workforce programs. They have great relationships there for where their TANF clients can go. Other counties may have their own county staff that do it, while other counties have relationships with local non-profit organizations who actually do the work. It would depend upon the jurisdiction and the local nuances in each of the communities.

Jason Turner: If the state members and secretaries are done, then we will turn to Robert Rector.

Robert Rector: I am going to speak as the person who was there for all of the work rules and the TANF law in 1996, as well as the person who designed it at the federal level, and put together the political coalition working for a number of Senators and Congressmen who put it through. Howard said that, in fact, we have a large body of research on this subject, and I would say it is all completely useless. When we put the TANF work rules through, one of the things that we faced, and the reason that the Clinton administration did not pass welfare reform in the first two years in office, was the claim from CBO that job search and work programs were not effective, and that they cost more to operate than they would save to the taxpayer. That was in fact an impediment that prevented welfare reform for close to 10 years. All of it based on these random assignment studies that are the classic design here. Those random assignment studies are very precise, and also completely inaccurate because the major effect of any welfare work reform program is a dissuasion effect at the front door, which reduces the number of people who come in, in the first place. You mentioned Utah. I will show you how long I have been working at this. In 1974 or 1975, Utah put a work program on its AFDC-UP population, which was the first time it was ever done. The population dropped dramatically. Why? Because they did not even come in the front door. Exactly the same effect that you see here. Now, however many years later, right there in Utah, the federal government disallowed it. But 1975 was the first example I ever saw or read on work in welfare front door effect.

The fact of the matter is that, and hopefully we are going to address this later in the afternoon when we are going to talk about new ways of doing evaluation, the classic random assignment which allows people to get on the rolls, and measures what happens to them afterwards, misses more than half of the effect of any work program. That is why when we were doing AFDC reform in 1996, the conventional wisdom from these studies was that the maximum effect you could get from a work or a job search program was a 5 percent drop in caseload over five years. At the time, I said to Congress, "Go out and visit Jason Turner under Tommy Thompson in Wisconsin, because his caseload in many counties is dropping 5 percent per month, not 5 percent in five years." The information was completely misleading because it misses this major effect of the program. When we designed the TANF law, I took all of the controlled random assignment studies and put them in the circular file. I also used all of Jason's caseload data, and other quasi-experimental data from all over the country that I had been collecting since the 1970s, because I knew those effects were there. Random assignment studies said there would be a 5 percent reduction in caseload over five years. We had a 60 percent reduction in just a few years, all of which the informal data told us that sort of thing would happen and the random assignment studies did not.

There is also another effect, a message effect, that we will talk about later. But the fact of the matter is that those evaluations do not tell you what will happen to the caseload. They also will not tell you what the outcomes are for individuals, because the best outcome for individuals is largely to never get on the program in the first place. When you get out of work, and into any type of welfare program, your future employability goes down. The service industry does not want to hear that. They want to process more people through, but the best effect you can have on long-term earnings is to have the person never get in the system in the first place.

Jason Turner: I think that is true. A lot of times, analysts are concerned if there is an entry effect, there will not be comparable increases in income. I think one of the things that TANF showed is that income and poverty go in the right direction if it is a strong enough effect. Doug?

Doug Besharov: I am going to slightly agree, but for a different reason. I think many of us, both from the left and the right, believe that entry effects are important. You can believe that caseloads should be reduced, and that people should be discouraged from applying for a program because you think that is good. Or, you can be worried that these requirements will discourage people in need from applying. The issue of measuring entry effects, which is the topic of my panel coming up, is centrally important to both sides of the argument because if there is going to be some kind of dissuasion effect, if there is an effect of discouraging people from applying, you want to know who they were, and their characteristics if possible. Then you are able to decide whether you liked the result or not. People like Robert Rector will like the result, and some other people might not. But I think capturing that information is going to be centrally important. That is why in our panel, we are going to spend a lot of time on techniques and strategies to measure this stuff.

Jason Turner: David?

David Stillman: What I have found on the entry effect, and I have worked in four states directly, is the important thing is not whether you assign clients to immediate job search, but the absolute certainty that they will be involved in some activity, whether it is immediate job search or barrier reduction. That is the important element. If the clients know that in a supportive way there is a requirement, they will design a plan. And it can be individualized, it can be almost entirely on the barrier reduction or on family issues, but they still have to devote thirty hours per week to their own family's success. I think there is an entry effect, but there is also in that fashion a way to individualize more towards what will be successful for them and their families.

Jason Turner: Go ahead, Donna.

Donna Pavetti: I have a question. I have talked to people who have been doing qualitative work for many years around disconnected families, and one of the things they saw as being different from their early work is what they describe as an unrelenting and unforgiving labor market. What they said in their prior work was that people would kind of cycle in and out of jobs, but they could get back in. But now, it is so much harder to get back in. So, I am just interested to hear from the administrators about what you are seeing, and what you think the implications are for your program if the job market is in indeed very tough?

Robert Doar: New York is unique in many ways. One way it has been unique, for an extended period of time, is that the labor market for entry-level positions has been very good by and large. To the extent to which we could monitor that using broader data with regard to labor force participation, or more targeted data like the new hire data, or outside contractors that monitor employment and report, we were able to see entries into employment documented in that way. It gave us some sense of satisfaction that, at least in New York City, those people that came in on

day one, and saw what we had to offer and thought it was nice but not what they wanted to spend their time doing, and attempted to get a job on their own, were not always successful. This was illustrated by the data from a third-party. We did not get much beyond that, but it was a good start. That was our experience. That is all I will say about that.

Jason Turner: Donna, my view on some of that is that it is important not only thinking of employment as a transaction, but thinking of work activation as a process that gets people ready for the first opportunity to sort themselves out in private employment. Both are important. Who else has a question or a comment?

Michelle Derr: I am Michelle Derr from Mathematica. As I listen to this conversation and reflect on my recent discussion with Sheena about what we have learned from TANF, I think something that shifted in TANF, first of all, has potentially shifted the SNAP caseload composition. I think that is really important moving forward as you think about getting these people employed because I think it is going to require, as Donna said, a different type of service track. It will require an upfront assessment and different service tracks based on their needs. For example, in Utah where I recently visited, they have a “Work Success” workshop for those who are work ready. It is very intensive for those who are work ready and just need a little more support to get over that hump. Then, I think you have a group of people who can work with just a little bit more support. Some can come from some of the innovative models we have seen, kind of like the executive functioning piece that Donna mentioned, as well as some potentially promising practices that we have not explored. There is also this group that could be hard to employ. Those who cannot access TANF, who are ending up on the SNAP caseload, and who may need more support getting to work. So, thinking about the different needs of the different populations within the SNAP caseload is really important, and making those connections. Another important point is that this is a huge opportunity to really test some models that we have not been able to test in the TANF world. I am on the job search assistance project with a colleague, and we are really looking at different programs, but we do not have the scale to really test effectiveness of these interventions. I think some of the grants may allow us to test some potentially promising interventions that we have not been able to test so far in the TANF world. I think this is an exciting opportunity for that.

Jason Turner: Thank you. Howard?

Howard Rolston: I think Robert’s presentation confirms my belief that when it comes to applying research, it is more art than science, but I think this question about entry effects is important. I do not think we really know much about it, and if there are large entry effects that are relevant from this, say there was a movement from AFDC to TANF, my own speculation would be that they probably do more than simply a job search requirement at the front of a program. A lot of things were going on with respect to TANF. There was a great national debate about it. There was huge debate within states about it as you all know who were involved in it. It is quite plausible, in retrospect, that had an effect on people. There is evidence that there were broad declines in the number of people applying for welfare. What you need to think about here is, in this particular case you might see entry effects and if that is the case, then there are random

assignment designs that can capture that, as we will discuss later this afternoon. But, I do not think, at least from what I have heard so far, and given this \$200 million dollar demonstration project spread over a number of years, it is very likely that you will create the conditions that existed in the mid-1990s. So maybe there are entry effects, but to think that you are going to see something like what happened then? It seems disproportionate to me given resources that are available. That is not to say there would not be any entry effects, but I do not see it by way of expectation.

Jacob Klerman: I am Jacob Klerman from Abt Associates. This is a wonderful discussion. I hear several different themes about what people believe are the impacts of job search assistance programs properly implemented. I hear Robert saying that under some conditions there are only moderate effects, as claimed in the AFDC studies. I hear some people saying that properly targeted assistance programs truly help. I hear some people saying it is really about enforcement. If you force people to come in, they will disappear. I hear Robert saying if you force them to come in, they will not even appear at all. As an evaluator, my takeaway here is this is a wonderful opportunity to get some information about which of these conjectures is right. They are all probably right to some extent, and we should try to get some information about how right each of them are. I hope that is really the message that FNS takes away here. There are a lot of different views that imply different policies, and this is a chance to let a thousand flowers, or at least ten, bloom. This is a chance to do rigorous evaluations on those programs and come back with a better evidence base for the Agriculture Bill in 2019, did I get it right? The diversity of opinions here and the fact that there is some evidence that everyone can pull from, which include quantitative and pre-post, perhaps random assignment may not be appropriate, makes this a wonderful opportunity and we should not lose it.

Jason Turner: Thank you Jacob. Anyone else?

Elizabeth Lower-Basch: I am from CLASP. I want to comment on the diversity and heterogeneity within the population because I actually think, particularly in reference to entry effects, both of the stories are true. There were some people who came in and saw the requirements, particularly in the strong economy of the 1990s, and said, "I do not need this. I can find a job on my own." Then, there were people who felt just overwhelmed and confused when everything got diverted into bad outcomes. Some of those people are on SNAP. We can see in the characteristics data that the share of families with children, and no other income, is going up in SNAP. So, that is another population. The challenge is that you need to design a system that works for both groups, or at least directs all of them in the right direction and does not leave them behind because you are only focusing on the other group. Particularly when you get to a federal policy, and you want the same thing for all states, it becomes even more challenging. I hope everyone will keep that in mind in both the design and evaluation stage.

Doug Besharov: I wanted to change the subject and pick up on something Larry said, which I think is going to put a fascinating twist on this topic if there are more states like Larry and I think there are. Larry said that essentially he does not worry about a participation rate, and TANF is whether rightly or wrongly, whether for political reasons or not, built on participation

rates. Here you are going to have some states with modern performance measuring techniques, which we have done a lot on that in twenty years, that are going to think in terms of outcomes. The trick, and this is where it might be very important to have a partnership with evaluators, will be to know whether these are true outcomes, just creaming, or just the result that would have happened anyway. It is quite feasible that Secretary Corrigan will keep her team's feet to the fire, not on how many people got referred, but on how many people got jobs. In an economy that is rising or falling, that is going to be tough to measure. That will be a challenge.

Jason Turner: David Berns has a presentation on a performance payment system for getting jobs, but I think that is also one way we can track and know what longevity is, and make certain that it is part of the intervention. We have another 3 minutes, so I am open to anybody who has a comment or a question. Yes, Robert.

Robert Rector: I just want to clarify that TANF does not have a participation rate goal, but it has a caseload reduction goal because that was the expected outcome, and that is exactly what happened. Larry, you meet the goals by reducing the caseload. You do not have to reach a certain participation rate. That is no accident. We designed that 20 years ago.

Jason Turner: Larry, what does HHS say about your switch over to not recording participation rates since that is a federal obligation?

Larry Temple: We still send and report federally on only those three mentioned. Similar to in Florida, the activities that are generated with the customer, whether that be job search, GED, short-term training, or others, all have to lead to our local contractors which are operated by our workforce board. If they make their 75 percent entered employment rate, it will reach the participation rates at the federal level. It will achieve caseload reduction. If I just put out caseload reduction, quite frankly people would say, "You just sanctioned everyone off." Actually, our sanction rates have plummeted since we put this in place. We make the numbers through an outcome that we said we wanted to have.

Jason Turner: Larry, if I may, I want to ask the last question about something related to this. Several states are going to utilize the one-stops in this program I think because they are already funded. You can link up, take participation rates, and require activities and you have got a whole set-up. Now, my question is the following: as a welfare administrator, I have not seen many examples of states that have a welfare system where the TANF program is responsible for employment, and the labor department is responsible for actually doing the operations side. That has been my observation. Larry in Texas has done a good job on that. Does anybody have any advice as to how to get that to operate properly and as well as it can?

Larry Temple: You could make it performance-based and work with them. You could work with the one-stops. Their funding, I can tell you, has been cut. If you have a good economy, the slices of the pie that are distributed have stayed the same.

Jason Turner: Maura, you have told me that Michigan has this issue. What are your thoughts?

Maura Corrigan: I am a great admirer of the statute that Texas has for your incentive program and sanctions program. You expect results.

Larry Temple: She is talking about the sanctions on our contractors.

Jason Turner: Larry, did not you tell me that you reduce administration costs to the one-stops if they do not meet your performance standards?

Larry Temple: Ultimately, if it gets to that, we try to work with them and provide technical assistance. We do not take money out of the area as a penalty for services, but we will penalize our local boards through administrative dollars, which seems to get some attention.

Jason Turner: I can imagine that. Well, thank you very much to all the panelists and participants for a great first half. We look forward to this afternoon.

****END OF MORNING SESSION****

Workforce Development Strategies for State SNAP Pilots

Jason Turner: Let us get started again. This is the second part in which State Secretaries will be describing various program ideas and programs they have operated in light of the opportunity that presents itself here with our Food Stamp demonstration project. And, I am going to ask first Reggie Bicha, the Executive Director of Colorado Department of Human Services and the President of the APHSA Board of Directors, to lead off the discussion.

Reggie Bicha: Thank you. Good afternoon everyone. Fortunately for you, I will be co-presenting today with our Food and Energy Assistance director Sue McGinn, from the Colorado Department of Human Services.

We want to talk to you about Colorado's employment program, Employment First. Colorado was a pilot state for SNAP Employment and Training (SNAP E&T) back in 1983. It has been an ABAWD pledge state since 2002, and continued the ABAWD program throughout the economic downturn, though in a reduced number of counties. As I mentioned earlier, Colorado is a state-supervised, county-administered system with very strong local control. Our program, which we had to decrease during the economic downturn, although we continued the program in our three largest counties. We receive about \$8 million annually, and we are able to translate that into serving 90,000 people annually. One thing that did not come up in the conversation earlier that I think is also noteworthy, based on Colorado's experience, is that about 20 percent to 30 percent of individuals we serve in the SNAP E&T Program are individuals who have a criminal conviction. Most of these people have a felony and have done time in prison, which becomes a very real barrier to helping those individuals find employment. Twenty-seven of Colorado's sixty-four counties across the state operate the "workfare" program as part of the SNAP E&T

program. Counties may sub-contract out services. As seen on this map here, workforce centers, non-profits, county departments of social services, and the State Department of Labor are all administering “workfare” program services at the local level. The twenty-seven counties that are highlighted in color represent 89 percent of the eligible work registrants in our state. I was told that, and I hope this is accurate, Colorado is the only state in the country that operates a Section 20 “workfare” program. This is a quote in the Section 20 Regulations. I am going to pause there, and let Sue McGinn take over.

Sue McGinn: Good morning. Thank you for your time this morning.

As Reggie mentioned, Colorado is one of the only states that operates a Section 20 workfare program. Section 20 is a separate part of the federal regulation, and Colorado started this program back in 1992. We did a pilot project, and in 2013, we expanded it to twenty-seven counties. The funding for our full Employment & Training program is just under \$8 million, and about 20 percent of that budget represents our administrative spending on Section 20 workfare. Our enhanced funding, which we earn through Section 20 “workfare, helps to support the \$2 million part of our budget. We have about 30 percent of all of our work registrants go into Section 20 workfare. They contribute about 900,000 hours at various work sites. The work sites are either in non-profit or public settings. Some examples of the work sites people were placed include Habitat for Humanity, the local zoo, animal shelters, libraries, and city and county offices. Through this process and experience, about 5,000 people report employment within thirty days of their workfare experience.

As I mentioned before, Section 20 workfare operates independently of the normal Employment & Training program. This means that you actually create a separate state plan that is submitted to FNS for review and approval. Your plan can include having TANF and unemployment recipients participate under Section 20 workfare, and the provider of your services can either be the county office, Department of Labor or a non-profit organization. Section 20 workfare involves administrative-level tracking jobs that people are placed in, and tracking the changes of their allotment that they receive when they are on the workfare site compared to when they go into employment.

There are benefits to both the participants and the state. Participants get current work experience, gain current references, and learn new skills. The benefit to the state is the enhanced funding, which is literally taking the difference in the amount of benefits someone receives in a month. For example, if someone’s benefit allotment reduces from \$400 to \$200 in a month, that difference of \$200 is multiplied by 1.5, and that \$300 is returned to the state. In Colorado, we then use that funding to reinvest and build the program.

With that I am going to stop. I think we are doing questions at the end.

Jason Turner: Thank you very much Reggie and Sue. We look forward to that later. One thing I want to ask later is whether that one and a half months is in law, or can it be modified? We are going to turn to our next speaker, David Stillman, the Assistant Secretary for the Economic

Services Administration at the Washington State Department of Social and Health Services. He joins us remotely from the state of Washington.

David Stillman: Thank you for the opportunity to share information about Washington State's program. We started as a small pilot program for our Basic Food Employment and Training (BFET) back in October 2005. It has now become an integral part of our state strategy to help low-income residents find and retain living-wage jobs. We like to think of this program as a demonstration of a true collective impact approach, because it really started out as a pilot project, and grew organically among our community-based organizations, community colleges, and our community service offices operated in the Department of Social and Health Services. Since the program's start, our program has helped well over 45,000 individuals. As you look at the key facts about our program, you can see how our enrollment and total budget has increased substantially, and most importantly, about 60 percent of our BFET clients become employed within one year after enrollment.

Just a couple of additional key facts. In Washington, we have about 587,000 households that receive Basic Food (SNAP), and that translates into about 1.1 million people, 41 percent of which are adults who are not disabled or who are on TANF. So we do have, as I like to say, an ocean of resources in terms of those clients we are serving, and just an incredible opportunity to serve them and our economy in the context of our BFET program.

Over the course of the last couple of years, we have actually doubled our enrollment, thanks in part to the recession. We used to serve, just a couple of years ago, only about 3,000 clients per month, and now, we are serving about 7,000 clients per month. We can also attribute that to having expanded the program to every single community and technical college in the state, in terms of working with our local community service offices. Employment, just for the purpose of understanding our definition, means working at any job, at any wage and any number of hours in the state of Washington. We pull that data, with the cooperation of Employment Security and the Department of Labor. We do not limit the count to people who simply become employed after leaving the program, and our average starting wage is between \$10.38/hour and \$11.08/hour.

You can see here, our program uses a publicized checklist to see whether prospective providers, which primarily include community-based organizations that are involved in other employment and training programs, have or will collaborate with other agencies to plan for and deliver their services. We do expect them to work with us to conduct a labor market study. We also expect them to have an idea about their current funding, or their ability to generate revenue, in terms of being able to use third-party match and also be able to do outreach to prospective clients.

This next slide provides a little bit of an overview of our best and highest-performing community-based organizations: Seattle Jobs Initiative and Fair Start. The Seattle Jobs Initiative was among the first community-based organizations involved in the BFET program, and continues to be actively involved in not only promoting BFET, but also advocating on a national level for expansion and working with policymakers. They have been very effective in preparing people for work. Over 60 percent of their participants become employed within a year, and you

can see that their focus is on growing industries like healthcare, business information, manufacturing and automotive. Fair Start, which some of you may be familiar with, is a culinary job training and placement program based in Seattle for homeless and disadvantaged individuals. Many of these individuals, similar to Colorado, are ex-offenders. Fair Start is unique in that they have participants go through phases where they learn life skills and break down those barriers before going into culinary training. As you can see, their success rate is between 70 percent and 80 percent employment within one year of being in the program.

Some of our recent improvements include that we now go through an annual two-day training forum with all our community-based organizations and providers, we do regular surveys of both quantitative and qualitative program aspects, we do online verification of eligibility of the clients for the providers, and we have redesigned our website, which you can all access. We also have number of other specific things underway.

For more information, do not hesitate to contact me or Vance Robert in my office, via phone or email. Once again, you can find more information on our website. Thank you.

Jason Turner: Thank you very much, David. Please stay on for the discussion.

Next we turn to Washington, D.C. We were going to have a presentation by David Berns, Director of the Human Services Department. He was with us all morning but was called away. Deborah Carroll, who is the administrator of the D.C. program, will make the presentation. Paired with Deborah is a program operator from D.C.: Lee Bowes, CEO of America Works, which has a pay-for-performance contract with the District. The two of them will split their time and act as a single unit on the panel.

Deborah Carroll: Hi everybody. We have been talking a lot about the TANF program and how we can draw some lessons learned from our experiences in TANF to help inform the process of the demonstration programs for Food Stamps. For us, our TANF caseload had been rising for several years during the recession. When I got there in 2009, we were somewhere around 14,000 families, and we peaked at around 18,000 families. So we had to do something pretty dramatic in order to make sure that the trend did not continue.

One key thing is we conducted a full review of our TANF program. DC never really implemented welfare reform in its truest sense. Those individuals that could get jobs, got jobs. But we had a significant population that had exceeded sixty months, and there was nothing at that point that would require them to come off of TANF, so we had to change the policy. While changing the policy, we understood that we needed to address the barriers to employment. I am going to skip through some of these slides due to time constraints, but you will have these slides available for viewing later.

One key policy change that we made was as a condition of eligibility the recipient had to undergo a full comprehensive assessment. We began with the online work readiness assessment that was done through the University of Maryland, ICF International, and HHS. And we began to

modify that assessment to adapt it to the tools used by the District. We used some of the assessment tools that were already available and being used in some of the specialty programs, such as the Mental Health Assessment and Substance Abuse screening. This way our customers did not have to face something they were unfamiliar with. The key thing is that not only do we do this individualized assessment, but we also do an intelligent referral. So we take the outcome of the assessment, the recommendation based on a logic model that was painstakingly worked on and developed with our partners, and we make a customized referral for that individual.

An individual may fall into one of four quadrants. First, you can be immediately work-ready because you have low barriers to employment, a higher level of skills, education, or experience that allow you to move into direct job placement type of service. Second, you have those with moderate barriers to employment and a medium-to-low level of education, skills or experience, who may need to improve their employment prospects through educational remediation or more work history. Third, you have those with more significant barriers to employment who may still be employment eligible, but might need more intensive crisis management services in order to assist and prepare them for those level of services. Finally, you have those who really need to be on a much longer-term financially sustainable program like SSI or SSDI.

Based on the outcomes of the assessments, we make an intelligent referral for that customer based on one of those quadrants or services. Sometimes they bridge quadrants and services depending on the circumstances at the time. They are then referred to one of our providers, including America Works. We have a suite of providers that provide either job placement or work-readiness services. We also have a group of staff that also provides direct services to our customers.

One of the key strategies that we put in place was to develop a very robust cost model, as well as develop a performance-based model of contracting. Within that model, we had to ensure that our budgets were adequate so that the operations could sustain themselves. We previously had a 100 percent performance-based contract model that did not really work for us because we could not require certain levels of service. We were getting job placements, but customers were recidivizing back. They kept their jobs three months at the most. So we wanted to make sure that they received an intensive level of service that would help them to actually retain their jobs. So this is just an example of some outcome measures we were looking at in our contracts.

We have a base compensation model that accounts for a percentage of their normalized costs. Then, in addition to that, we have a series of five payment points that allow businesses to earn income, based on outcomes. Outcomes range from a customer completing an education goal, to having a higher wage, to retaining a job up to six months, to a customer meeting their full work-participation. Any range of different payment points, in addition to the small base compensation, is how providers get paid. Based on that, we collect a lot of data. They input into a system that is centralized. It allows us to conduct good analysis and we can actually trend progress. We can examine the performances of our providers at different points in time. We can also perform analyses to see whether there are any diminishing returns based on caseload sizes.

Lee Bowes: The slides are very dense, and I only have time to go over a few quick things. One is that we have been visited in D.C. by many of the members of the Agricultural Subcommittee and it has been very exciting. I do not think they get a chance to meet a lot of people who are on public assistance and also receiving Food Stamps. Overwhelmingly what they have heard is that people want to go to work and do not want to be dependent. I think that is an important message to get out there.

The outcome-based performance models have been very effective. Not only do they improve performances in D.C. and around the country, but they also allow transparency. Everyone knows how others are doing. As a provider, that enables me to hold people accountable. So I encourage you as you evaluate these partnerships to really look at performance-based contracting.

Just to say a few things about the Food Stamp population. New York City is the only place we have had Food Stamp only programs. It really came from people who really care about this population (first Jason and then Robert Doar). At America Works, we focused on the ex-offender. We have a study that is coming out shortly that was done using money from the Food Stamp budget. We also have been trying to focus on veterans, which has also been effective. I would recommend checking out those programs. We have Frontline coming to our offices here in D.C., and I am going to have to leave shortly after this. Thank you very much.

Jason Turner: Thank you for doing a nice job together on that. We are now going to turn to Sheena McConnell, Senior Fellow at Mathematica. She is going to discuss her observations, after which we will have a Q & A session.

Sheena McConnell: Great, thank you so much. I will be talking from the researcher's perspective. I will discuss what we have learned from research evidence to suggest what would be good for you, the states, to try out in these demonstrations. I am going to talk through three different strategies: job readiness, work experience and vocational skills training. I am leaving out job search assistance here because that was talked about at length during this morning. It is not because I do not think it is important.

The first thing to say is whatever approach is taken, we need in-depth assessments. The SNAP population, as others have mentioned, is very diverse. We have people who are pretty much work-ready, they just need to update their resume and get job placement to be on their way. People face multiple barriers to employment, and one size does not fit all. The service approach you are going to take really depends on the participant's needs. Research has shown that you need to do in-depth, comprehensive assessments, as discussed by those D.C. people, in order to determine which pack people should go on. Self-report assessments are not very informative, as using them can cause you to miss some barriers, such as learning disabilities and substance abuse issues.

On to job readiness. There are many different types of job readiness training. Programs range from really basic ones that can be accessed online, like in Utah, to those that are very intensive. The one that I wanted to talk about is one of the intensive programs called Building Nebraska

Families. This program was for those who are very hard to employ because they have many barriers to employment. In this program, which occurred in rural Nebraska, home visitors were highly educated Masters level staff . These home visitors spent one hour per week with these hard-to-employ TANF recipients to teach them about social life skills, which included organizational, planning and problem-solving skills, that are needed for employment. This is not a cheap program, amounting to about \$8,000 per person. It lasts for about eight months. Our study found significantly large earnings impacts of this program. To give you an idea, thirteen months after entrance into the program, program participants earned about 50 percent more than non-participants. We rarely see impacts of that size. This is a really big impact, and it was very impressive. I would love to see this replicated elsewhere. We know this works in rural Nebraska. Does it work in NYC, D.C. or other urban areas? Another issue is that since it is so expensive, is it possible to conduct these training sessions in the classroom instead of during home visits to improve cost effectiveness? That would be something that needs to be tested out.

On to work experience. Once again, just like job readiness, there are a variety of issues to consider. It can be paid or unpaid, it could be for public or private agencies, and so forth. We do know about subsidized job programs. These are programs where the program pays at least part of, if not all of, the wage of the program participant and then often the participant also receives supportive services, such as coaching and training, while on the job. There have been two random assignment studies on these programs. Unfortunately, both of these programs only showed short-term benefits, but they did not last for long. After about a year, any impact had disappeared. Since these are expensive programs, we would want them to be more effective, especially in the long-term. Have we tested every work experience program? Of course not. But these findings were discouraging. DHHS and DOL are also carrying out evaluations of work experience programs, which are arriving at similar discouraging findings.

Now about vocational skills training. Decades of research from both the US and other countries show that vocational skills training can be effective and increase earnings in the short term. I am talking about training programs that cost less than \$5000 and last for less than six months. They can increase earnings, but maybe not for everyone. Clearly, not for people with many barriers to employment. It is also not for people who have spent their careers doing one job, and then their skills become obsolete, and those jobs get outsourced. For those people, the impact of vocational skills training is mixed. But for low-skilled, disadvantaged workers, it is pretty clear that this is effective. One of the issues for people who go into vocational training is that many of the people do not end up getting employment in what they have been trained to do. I just looked at two Mathematica studies and both of them actually found that only 40 percent of the people obtained employment in the occupation that they were originally trained for. This really suggests that something is wrong, or off about the program. The training is not translating into the participants having the necessary skills for those occupations. I really think that training should ask the question, “What skills do the employers really want?”

One of the most promising vocational training models is the sector-based model, in which a group of employers from specific sectors, such as hospitality, restaurant and healthcare industries, come together and work in partnership with training providers and the workforce

development agency, to establish a training curriculum that teaches skills that employers actually need. Employers tell the training providers what they need, what to include in the training curriculum, and how that training can be provided. Newly trained people will actually fit the needs of the employers who have demanded the labor supply and played a role in training. This connects both sides and helps them work towards a common goal. Random-assignment tests of three work experience programs find that these programs have been pretty effective. That is definitely something I would recommend looking at when coming up with new approaches.

Thank you.

Questions & Answers

Jason Turner: Now we have time for some Q & A. Let me just ask the first question. Reggie and Sue, how much of the costs of running your program in the rural areas, which have reimbursement, is recaptured?

Sue McGinn: The money that returns to the counties is absolutely reinvested in the full administrative cost of the program. Is that answering your question? Colorado receives about \$800,000 and 100 percent federal funding. So, the vast majority of our budget is made up of other resources that are matched back with federal funds.

Jason Turner: Sue, have you tried to measure the cost of running this program and find out how much is recaptured or how much is offset by earn-back from FNS?

Sue McGinn: Kathy Mahoney, who is the manager, is with me and she tells me it is about 30 percent.

Jason Turner: I guess that means theoretically, if you ran a program at a given fixed budget, you could expand the program by 30 percent?

Sue McGinn: Yes, that is our experience.

Larry Temple: Sheena, on your findings, you were looking at subsidized employment in the short term. Was that a mix of private sector and public or non-profit sector?

Sheena McConnell: One of them was for public. I think the other one was a mixture of private and public.

Larry Temple: The reason I ask is because of our experience running a really big subsidized employment insurance program for about \$50 million. We did not do any public where our experience had been that when the subsidy ended, the job ended. Private employers are not in it for the subsidy. Most of the time, they do not want to bring in somebody they do not plan on keeping. Some washout rate is certainly involved, but we had some really good experience with it.

Lee Bowes: I also have a question for Sheena on the subsidized jobs. Were you talking about the transitional job programs that are run mainly in the public sector, those where wages are subsidized for a period of time in an attempt to transition people back into real jobs as opposed to subsidizing the real sector?

Sheena McConnell: Yes. I am trying to remember exactly. I know one of them was public, but I think the other one was a mixture of public and private. But, as mentioned here, the main problem was that they were not getting the jobs they wanted.

Lee Bowes: Why are those programs becoming more popular if the research shows that they do not work?

Sheena McConnell: [Laughter] I wish I could answer that. I am not sure. Maybe they are not listening to our research.

Donna Pavetti: I think I can help answer that. They became popular during the recession because there were no jobs. What is important is that subsidized employment evaluations show that there is a big increase in employment, and it is very significant when you provide jobs to people, but the problem is that the transition does not happen to private employment. I think Laurie's experience, and Florida's experience in which they were able to do a comparison group, showed that there were private sector jobs, and there was a significant increase in employment at the end. So, I think there is new evidence, and there is a new generation of programs that are very tied to the private sector, that I think makes this a very different option than what has historically been available.

Lee Bowes: Following up on my question, have there been any studies where they have looked at programs using partial, as opposed to full subsidies?

Sheena McConnell: Texas does partial subsidies.

Larry Temple: We wanted employers to have skin in the game. Ours was very simple. It was \$500 a month for 4 months. It had to meet the UI Claim suitable wage requirements, so we did not have to worry about that issue. We paid our workforce \$100 per placement, for the administration costs, and it really did well. It was a good program.

Jason Turner: Lee, can you talk about your corporate representatives negotiating with individual employers to get the most out of the subsidies?

Lee Bowes: We give the staff a finite amount of dollars. For example, if they get \$200,000 to subsidize, they want to spend as little, and be as economical as possible so that they can spread the subsidies to as many employers as possible. They get bonuses for the number of placements who transition successfully after six months, so the incentive is to get as many placements as possible. Therefore, we have become very creative with our partial subsidies. Larry used the phrase "skin in the game". The increase in the number of employers hiring people in the program

has been incredible. These are people they would have hired, but this gives them an extra incentive, and they really work with them to train them and prepare them so they can be retained after 6 months.

Jason Turner: Deborah, a question for you. You said in your presentation that straight performance contracting was not working well enough, and that you have a mixed system now, but I did not really get your assessment of why the first one did not work well.

Deborah Carroll: It was more widget based. If you completed an assessment, you received a fee or other processing costs. It had certain outcome measures that were part of the bonus structure, but we did find after our analysis that they had some good quality case management. With our current structure, we are allowed to mandate a certain case load ratio that allows for better case coordination and service delivery. The old model was less organized and often resulted in inefficiencies. The new model has allowed us to have more control over what type of staff we have, and how they work. We require them to have case managers, employment specialists and job developers at certain ratios so that most optimal service could be provided. We can also scale those based on the case load they have.

Jason Turner: Remember that David Stillman from Washington State is on the line as well. Anybody have questions for him?

Larry Temple: I wanted to ask David what his average cost per participant has been if he has the numbers?

David Stillman: I do not have them with me, but I will be happy to share them. They are readily available. I am just out of office right now. Sorry.

Jason Turner: David, what is your assessment of the cost-effectiveness of a given amount of money for more intensive services that you provide as compared to lighter services that you might have otherwise? Do you have any thoughts on that?

David Stillman: One piece of the puzzle that I did not provide to you was the degree to which the third-party match is involved. With our BFET program, so much of the money that is being used to draw down the federal funding is coming from otherwise unmatched, philanthropic local dollars. So simply from the program standpoint, we are leveraging all of that other community resource in order to be able to deliver these services at the get-go, which makes me feel that it is very cost-effective. My staff, who are awesome, just sent me the average range for cost per participant: between \$1,250 and \$1,500 per participant. If we think about that, along with the average wages starting at about \$11 per hour, and strong retention numbers, we are very pleased with those types of numbers.

Larry Temple: Does that cost include third-party match or state dollars cost?

David Stillman: That is the total cost including the full amounts allocated to participants from

those funds.

Jason Turner: Does anyone else have questions? I have one last question. To the extent that we are going to use community colleges to help supplement what the agency can provide, does anybody have ideas on how to increase the very low completion rates of community colleges for welfare recipients? Currently, they are plagued by 8 percent to 12 percent completion rates for one- or two-year programs.

Deborah Carroll: In D.C., within the community colleges, we have a workforce development program, and they have added a case management component. Since putting that in place, they are finding that they have better retention and better completion rates overall.

David Stillman: In our state, we are also using a case management, navigator, approach as just described. Those support services are critical to the continuity of the educational experience. I am pulling this out of my head, but I think our completion rates are closer to 30 percent, which sounds fantastic compared to the statistics you just cited, yet they are still concerning to us as we try to make improvements. We are working with the Board for our community, and technical colleges, to see how we might tweak the incentives and the program in such a way to achieve higher results.

***Unidentified* (225:37 on video):** Jason, I think some states that target individuals who may be a few credits away, rather than completion overall, focus on the community college offering a specific credential again rather than an associate's degree. We had talked about Kirkwood Community College in Iowa. That is a credential issue rather than an associate's degree.

Jason Turner: We find that in Milwaukee the business model of community colleges encourages remedial education over an extended period, which is a problem in enforcing more targeted employment and occupational training. Sidonie, you have the last word.

Sidonie Squier: In New Mexico, we have a program in four to five places that I think could really help address this problem and improve completion rates. You can take community college classes while attending high school, and receive credit for both high school and community college. This helps individuals get their community college degrees faster, sometimes by the completion of high school, and eases the process significantly.

Jason Turner: I like that, and I had not heard of that before. Thank you very much to all the panelists. Excellent presentations and nice views. We will now close this part of our session. I will turn your attention over to our moderator, Doug.

Possible Approaches to Evaluating SNAP Pilots

Douglas Besharov: This next panel has two parts. One is a welcome from Rich Lucas, who is the acting Deputy Associate Administrator of the Office of Policy Support, FNS at USDA. The

Office of Policy Support is responsible for FNS' analysis and evaluation work. Rich has worked at FNS since 1994, and has experience evaluating and analyzing numerous projects. Thank you for joining us Rich, and the floor is yours.

Rich Lucas: Thank you for the introduction. I appreciate the invitation and the opportunity to participate in this event. The discussions have been very valuable to Moira I know, and to me as well.

Just to give a bit more context, for about thirty years, the Office of Policy Support has been working on a wide range of different studies and evaluations related to these programs, and very often in partnership with the firms that are represented on this panel coming up here today. Just to give some examples, we did the evaluation with the Health Incentives Pilot (HIP) that looked at the impact of financial incentives for SNAP recipients at the point of sale on the consumption of fruits and vegetable. We also did the evaluation with the Summer Electronics Benefits Transfer for Children (SEBTC) that looked at the impact of providing benefits to households with children in pre-kindergarten through twelfth grade certified for FRP school meals under the Summer Food for Child Demonstrations. They are administered using the EBT system for WIC, or the EBT system for SNAP. The evaluation tried to assess the feasibility of implementing the three different models of SEBTC benefit delivery; to examine the implementation of SEBTC, including approaches used, and the challenges and lessons learned during the demonstrations; to describe receipt and use of SEBTC benefits; to examine the impact of SEBTC benefits on children and their families' food security, food expenditures, use of other nutrition programs, and children's nutritional status; and, to determine and document the total and component costs of implementation and administration. We also released a major study on the impact of SNAP on food security last year. Again, these all represent partnerships and relationships with the firms that specialize in data collection and analysis. I listed some examples of our work to give you a sense about the breadth of work we do, and to show the context for the evaluations of these pilots with regard to our work.

Policy officials and stakeholders with regard to nutrition assistance rely on these kinds of comprehensive, rigorous studies in helping them make informed decisions. Our track record with our partners reflects the quality and depth of our work. I also want to highlight the range of different methodologies that we use in our evaluation work. We use random assignment, pre-post, regression discontinuity, and so forth. We want people to be innovative and think creatively about these projects, so we are not prescribing any methodological choices yet. We want to consider everyone's input and plan to consider all approaches in conducting our evaluations.

Clearly, this provision of the farm bill contemplates a rigorous evaluation as a key component. It needs to be independent and longitudinal. The legislation identifies some of the key impacts we need to look at. We are looking to help participants find and retain employment, to increase household income, to reduce reliance on public assistance, and to improve other measures of household well-being that the department may determine. You can imagine there are a wide range of possibilities, some of which are tied to the mission of the SNAP. We see that as a range of choices that we need to make in that space. We are still considering all those options. We

recognize the range of choice points that are here, and we really appreciate the opportunity to be able to hear from real experts, both practitioners and evaluators, in not only looking at a range of projects that are possible, but also how they can be evaluated properly in order to produce valid information that informs future policy.

Douglas Besharov: I do not think Moira provided a specific schedule besides that it was specified in legislation. Do you have a schedule for how the demonstrations and evaluations will proceed?

Rich Lucas: RFP will be up in August and will be available for ninety days. The states for demonstrations will be selected by February 2015.

Douglas Besharov: That is for the states. How about for the evaluation? Will it have a similar timeline?

Rich Lucas: We are still working on that. Unlike the RFP and pilot awards, there are no specific legislative requirements for that. Obviously, we need to make sure that the two pieces work together. We are still working through what that means, and I suspect folks on the panel will have something to say about that, which I am looking forward to hear about.

Round-Robin Discussion Panel

Douglas Besharov: This is an unusual panel. To keep you awake, this is a round-robin. Rick, Jacob, and Peter have agreed to put up with me on this. Here we go. I am going to first introduce them all at once. Then we are going to do one round where they talk a little about their firms, because you may not know all the things that their firms do. After that, we are going to go through a series of questions.

Rick Hendra is a Senior Associate in Low-Wage Workers and Communities Policy Area at MDRC, and he is currently the lead researcher on three MDRC studies involving sectoral training, subsidized employment and small business formation. He led the analysis of the U.S. and UK Employment Retention and Advancement Demonstrations. His specializations include data collection, evaluation methods, and employment policy. Jacob Klerman is a Principal Associate and Scientist in Social and Economic Policy at Abt Associates in Cambridge, and he is also the newly appointed editor of one of the leading publications focused on evaluation called *Evaluation Review*. Peter Schochet is a Senior Fellow and Senior Economist here at Mathematica, though he mainly resides in Princeton. He leads their evaluation team, and he is also an econometrician. His evaluations have included the national WIA programs, programs serving young offenders, Early Head Start, and other early education programs. Some of those evaluations did not include random assignment. [*Laughter*] I have asked each of the panelists to talk briefly about their firms, so we will get started with that.

Jacob Klerman: Abt Associates is a large evaluation firm. We have offices here in the D.C. area, and also in Cambridge where I am located. Of particular relevance to the work going on

here are three different things. First, we have done a considerable amount of random assignment and non-random assignment evaluations for FNS and Economic Research Service, including two of the studies that were mentioned. We have been involved in the evaluations of the Healthy Incentives Pilot and the Summer EBT for Children. We have also done some work trying to explain the path of the caseloads of SNAP programs. Second, we are currently involved in a set of evaluations of job search assistance. One set is related to unemployment insurance recipients that we are doing for the Department of Labor and looks to involve the random assignment of several hundred thousand people. Size of the evaluations is something we will come back to during the discussion. The other part of the study is for DHHS' ACF which is looking at job search assistance strategies for the TANF population. Both of those studies are likely to be of interest and relevant to the work going on here. Third point I wanted to make is that we have a variety of ongoing evaluations and studies of job training programs, some of them for DHHS' ACF, and some for DOL's Employment and Training Administration.

Peter Schochet: Mathematica Policy Research is one of the leading firms that assesses and analyzes the effectiveness of policies and programs, and we have been doing this since 1968. We have done hundreds of rigorous evaluations in multiple areas relevant to these studies in nutrition, family support, education, labor, early childhood, disability, health and international development. Importantly, we do both quantitative and qualitative studies, which are equally important and help complement the quantitative studies. We also have our own survey division that supports our research. We have offices across the country and more than 1,000 employees helping put together all kinds of research.

Rick Hendra: MDRC dates back to 1974, and we have worked in many of the same areas. In addition, we do a lot of work in education, from early childhood to higher education. We actually have a very exciting study coming out about completion rates for community colleges. The results are not public yet so I cannot disclose any details, but I think the results look good. We have done many multi-site studies. I think we are up to about fifty. We have included about 450,000 individuals and about 500 communities in our work through our studies. One study I would like to highlight today because it keeps coming to mind given the issues we have been discussing is the national evaluation of the Welfare-to-Work strategies. This was a really nice research design that was used to do a head-to-head comparison of human capital approaches versus workforce development approaches. We learned a lot from that particular design that might be relevant to the issues we are talking about today.

Douglas Besharov: Many of the state officials are tempted to turn to their state universities for research help. I work at a state university, and we would be glad to do the evaluations for about \$10,000. *[Laughter]* However, the work will be worth that. Mathematica has 1000 employees and offices across the US. Abt has nearly 3000 employees, and it has offices around the US and overseas. MDRC has 250 employees and offices in Oakland and New York. It is important to note that these firms are large in terms of their staff and operations, and they along with other firms have the necessary financial and human resources (expertise) to conduct large-scale evaluations and studies.

Now onto the questions. Past evaluations have taught us a fair amount about how to reduce dependency and increase employment and earnings. Within the context of the research your firms have done, can you provide us with a summary of that?

Peter Schochet: So, I have three minutes to talk about what we know. I need to limit this. I am going to talk about just three different issues. The first I think is very important. Rigorous evaluations are feasible. There have been many informative random assignments and other quasi-experiments that have been conducted for a range of interventions, including SNAP, in multiple settings with diverse populations. They have taken place within welfare, labor, nutrition, education, early childhood, international, and many others. So, it is possible to do rigorous research. And, I want to make the point that rigorous research does not only tell us what works, it tells us what does not work. That is very important to realize.

Onto my second point. Just briefly, from my perspective looking at the literature, what employment strategies work? For the TANF population, it seems to me from the literature that models that combine, and I emphasize “combine,” various activities, such as work experiences, training, intensive case management, and activities that support and target specific industries, seem to be more effective than those interventions that try and focus on only one thing. Providing mainly transitional jobs seems to have short-term effects, but not long-term effects. There is a range of evidence, as Sheena mentioned, that training is effective for disadvantaged adults though not as effective for dislocated workers. That is my quick summary of that issue.

My last point is, as we move forward, how can the research be improved? The first point here is that I personally think it is important that there is some kind of a unified class of interventions that are tested in these pilots. As we look at the TANF literature, it is very hard, as I think Howard Rolston was mentioning earlier, to interpret the findings because they are all testing different things, on different populations. It is very hard to get an overall sense. So, each site should have their own ability to adapt interventions to their own context. But, if there was some kind of a unified plan, at least for a class of tested interventions, I think we could really assess the effects of promising interventions well, rather than having disjointed studies. The second point I would like to make is that I think it is important to introduce plan variation in these studies. What I mean by that is a lot of studies just use a single treatment group, and a single control group. That results in a “thumbs up, thumbs down” type of analysis, but we all want to know more about what works. I think it is important that we use randomized designs to vary promising intervention components so that we can test various packages relative to other packages. My third point is that I think evaluators should be selected early. It is important that evaluators help design the interventions, and make sure that they are suitable for the evaluation. It is too often true that interventions are developed and put in place, but they are not suitable for rigorous evaluation. Therefore, it is important that evaluators are selected prior to the start of the pilots. My final point is what I think is an obvious point. It is important that interventions are implemented early. As evaluators, we can all attest to the fact that we have done evaluations when the programs were not ready yet to be evaluated. This is setting yourselves up for failure, and it is not a fair test of the intervention. So, it is very important that the research that occurs after implementation is appropriate so that it is a fair test. That is often too difficult due to

timing, but it should be implemented as well as possible.

Thank you.

Rick Hendra: In addition, it is very important to look back at previous studies when designing this one. We obviously have a lot of extensive experimentation in the welfare-to-work area. Those studies all included food stamp recipients, and we can learn a lot from that. Just to touch on couple of themes quickly. On the quick labor force attachment front, we definitely saw these as cost-effective approaches that get people into the labor market quickly, but we also saw that in the long-run, those gains kind of faded out. A lot of effort went into extending those gains with employment retention and advancement programs in the early 2000s. Those strategies, which were well conceived, thought out and tested, often had in practice very weak results. We should look at those studies when designing future programs because a lot of ideas have been tested. If the goal was to increase wages, quick labor force attachment usually does not do that. It does increase labor hours and gets people back into the labor market. It can also increase earnings. Our latest thinking is that human capital upgrade is really needed if the goal is to increase wages. The early studies that tested human capital often tested basic education, and honestly, fairly weak programs. Recent work, as Sheena was discussing, on sectoral employment is very encouraging. It is bringing in employers into the design of the program and helping set up pipelines to real jobs. A recent study by Public Private Ventures showed a 30 percent increase in earnings within two years as a result of that strategy. So that should be considered.

Jacob Klerman: Let me just touch on that subject. I think the sectoral employment study results are exciting, but there is one caveat that is important to mention. That study, and many other studies of the high-quality programs that we are currently evaluating, screen a lot for the people that are coming into the programs. That screening suggests that those programs are probably not going to help the most disadvantaged, or often the people we have on SNAP, especially for a long time. Those programs appear to believe that they cannot help the worst off. It is important to remember which part of the population you want to treat.

Douglas Besharov: Thank you very much. Before we flip, I would like to direct everyone's attention to that top line about the "unified class of tested interventions." Our last question is about the relationship between what gets approved, and the evaluation, and I predict this is going to be a real problem. Let us keep Peter's point in mind.

OK the next question is on entry effects. TANF resulted in shorter welfare spells, and more dramatically, a sharp decline in welfare applicants, which is called entry effects. We talked about the fact that many of the AFDC, job, and pre-TANF evaluations were not structured to pick up entry effects. Ladies and gentlemen, you heard the discussions earlier today. A fair number of us want you to measure entry effects.

Rick Hendra: As was mentioned earlier, most of the evaluations in welfare-to-work were conducted among recipients, or people who had already applied. Therefore, we did not see a diversion effect in a lot of the studies. I will also point out that entry effects are not all about

diversion. They could also be induced entry. For example, if you have an earning supplement, or very attractive job training program, that can actually bring more people in. It could go either way. The designs of some past studies have not captured that. We all know the story of the incredible caseload decline shortly before and after welfare reform. A lot of studies of caseload dynamics have estimated that up to 50 percent of this was due to entry effects, depending on what estimates you look at. A typical welfare-to-work study that I worked on did not see any effects like that. Again, these studies were done on people who had already entered the program. This does not mean that random assignment studies cannot capture entry effects. It just means that these particular designs did not capture them. In this case, they captured exit effects. This program was a time-limited welfare program in Florida, and after the time limit had set in around year three, we started to see some reductions in welfare. But this is missing the cost savings from the overall caseload reduction. So that is the problem.

It can be difficult to measure entry effects with experiments, but it is certainly not impossible. It has been done. There is obviously a lot of work from just looking at caseloads and panel data. I think Jacob has done some work in this area, as well as Moffitt who pioneered a lot of the work. We did a study in Canada of the Self-Sufficiency Program (SSP), which provided a very generous wage supplement for people at, or below the poverty line. There the concern was about induced entry. In that case, we had people who applied to Canada's welfare program randomized into whether to get SSP or not a year later, and we wanted to see if people wanted to stay on in anticipation of the benefit. We did pick up some entry effects in that study, though they were not very large. There is also an interesting little study called "Do Mandates Matter?", where they randomized a letter that was sent about an orientation to participate in a mandatory employment program. One group got the letter while the other group did not. Once people showed up for the orientation, there was actually no employment services. But very interestingly they still saw welfare reductions and employment increases. Just the threat of having to participate in a mandatory program actually led to behavioral changes. The last point I am going to make is that there are still other ways we can estimate entry effects by randomizing sites.

Jacob Klerman: Let me make a couple of comments about entry effects. First, It is important to think about the comments we heard this morning in the first session about the nature of the programs. It is possible to think about two very different set of entry effects in the programs under discussion here today. The first type of entry effects is when mandatory programs that require people to have active job search of some form, and it is possible to imagine that will have negative entry effects. Knowing those programs are in place, people will be less likely to apply. There is a considerable amount of evidence for that possibility in US unemployment insurance programs and also in similar European programs. That is one potentially large issue worth thinking about. The second thing it is possible that if we get very generous programs, programs that are truly helping people to find work, then we can find positive entry effects. So, if the only way, or the most likely way to get child care when you are working is to come onto SNAP, then we can imagine that a program that offers child care would have the effect of increasing entry. Similarly, if the only or the most likely way to get a certain form of intensive job training is to come onto SNAP, then we could expect to find some positive entry effects. Both directions are likely. The first type was considered by Moffitt in his earlier studies. I will leave it there for now.

Peter Schochet: I have a couple of additional points about entry effects. I would like to second Howard Rolston's point earlier that we do not know that much about entry effects. Under the TANF welfare reform, when I look at the literature, it looks as though about 20 percent of the decline was due to TANF policies. The rest was due to factors like a strong economy and the expansion of the earned-income tax credit. So we really do not know that much about entry effects, and we need to learn more about them. I would like to make a simple point. Why not do a survey of the eligible population and ask them about their opinions on entry effects? Certainly, one can try to do randomized trials. It is difficult to get the randomization early enough to really get at entry effects, but I think a simple survey could perhaps go a long way in providing national information on that. The last point I want to make is when thinking about entry effects it is important to think about how the caseload changes when entry effects occur. I know in the TANF program there has been a rapid increase in the proportion of child-only cases. So the composition changes due to entry effects. I think that is an important part of this whole picture.

Douglas Besharov: The next question, which has something to do with entry effects and how you measure them, is whether to randomize or not? This is especially important if you want to capture entry effects.

Jacob Klerman: I guess my answer to this question is yes. I think randomization is the way to go here, and if there is only one message I can manage to get across today, I hope it is this one. Random assignment is rightly considered to be the gold standard. Random assignment mimics the thought experiment that we want when we try to estimate an impact. That is, it takes two groups of people who are otherwise identical and gives only one group the program, and then follows their progress from that point on. We heard a lot of claims in the earlier session about the fact that we have really good outcomes in our program, and as an evaluator, I sit here and I say, "Yes, and what were the outcomes for the people who were not in the program, or what would have been their outcomes?" There is a lot of evidence looking only at outcomes among people who are in the program. However, it does not give us good impressions of what the impacts were, and impacts are what really matters in program versus non-program. That is the first point. The second point is that it is not clear that the alternatives, that is, quasi-experimental methods, as good as they are, give the same answers. The challenge in quasi-experimental studies is that you are never sure if you are going to line up with the experiment. My bottom line is: Whenever random assignment is feasible, it is clearly preferable. Is it as feasible here? The required sample sizes for random assignments is smaller and their costs are lower compared to alternative methods. The results are easier to explain and less subject to manipulation by analysts. So it seems to me that random assignment is win, win, win, win here. Details matter a lot. There has been a lot of discussion today about entry effects. If you are interested in entry effects, as expressed here during the discussion today, one approach to think about is to randomize whole geographical areas. In some states that might mean counties, and in some states that might mean TANF offices, if you really require people to come into offices and partake in the administrative process. This is a little bit subtle. As people commented this morning and this afternoon, part of the effect of welfare reform was probably some broad, national change in mores and expectations. If you randomize by counties or offices, you are not going to be able to assess that. If you randomize by counties or offices, you are probably going to get some amount of formal

information and discussion through pre-program administration that assesses entry effects. I think that is a strategy worth looking at. It does not get us all the way there, but it gets us part of the way there. There is an important caveat, which is that entry effects, and the strategy involving randomization of regions, is going to require much larger sample sizes, and therefore it is going to be more expensive. That is an issue we will return to later in the discussion today.

Peter Schochet: I completely agree with Jacob. Randomization is important. I would like to make two comments about this. I think the reason why we need randomization trials in the United States is because most interventions are likely to only have small effects. We are usually comparing a disadvantaged population with a control group that is also a disadvantaged population, and is often getting services somewhere else. Therefore, we would only be looking for small effects, and a little bias matters. Random assignment is the only design that can ensure that bias is small. Any other design has an inherent bias in it, and when you have a little effect it matters. We are not looking at smoking which has monster effects, so a little bias does not matter. Here when you are talking about a likely small effect, a small bias does matter. The second point I would like to make is about the external validity of random assignments. What does that mean? When you are doing random assignment in a lot of different places, you have an effect in each little place; but it does not mean that any one of these studies can be generalized nationally. We all want to know how things can be replicated. It is really important in these grants, or these pilots, to make sure there is some unification of what is being tested.

Rick Hendra: I also agree with everything that has been said. One of these benefits you are hearing about is reliability. There is no doubt that with non-experimental, or with quasi-experimental studies, you can get the right answer. However, the issue is that you only have one shot at it, and you are much more likely to get close to the right answer with random assignment. So, reliability is very important, especially given the investments we are talking about. The other point I would make is that in the past there have been a lot of criticisms about random assignment studies because they did not get into the “black box” of the interventions. A lot of the interventions we have talked about today are multi-faceted. There have been a lot of innovations over the past couple of years using factorial designs or component analysis, where you can pick apart the interventions to see what the active ingredients are.

Douglas Besharov: I want to take the liberty as a moderator to do a lightning round where you can each have about a minute or so to answer. If someone makes a decision that entry effects are important, are we, or are we not talking about cluster randomization, which is either offices or some other larger units that you can compare that way. Lets start with Rick. Is there any other way to do a randomization except by some kind of cluster analysis?

Rick Hendra: Yes, I think that is the safest strategy when you look at the alternatives, and probably the best way to go, although it is the most expensive in terms of sample size. That said, you could also consider a two-stage random assignment where you randomly assign the message, as well as within that intervention. It is doable at the individual level, but most times we have looked at it, we have ended up saying we have to do something with sites.

Jacob Klerman: I agree.

Peter Schochet: At Mathematica, we did a study in Iowa on welfare reform, where we did random assignment early in the application process, and that clearly was not as perfect as you might want it to be. There was some drop-off at that point, so that gives at least a lower bound on what the entry effects can be. I think the general point is if you could get earlier and earlier in the process, you can do entry effects within sites through random assignment without having to go to multiple sites.

Douglas Besharov: Well, that seems like a segue into our next question. Peter, what are the alternatives to randomization? What else can we do that would be scientifically rigorous, have a high degree of causal validity, and maybe even allow us to generalize more broadly?

Peter Schochet: I will talk about quasi-experimental designs here, which some may call non-experimental. Let me give you a brief introduction and summary. There has been an increase in the use of non-experimental methods to create credible comparison groups, but experimental methods are still the best. They ensure the most precise bias estimates, particularly when you have small sample sizes. Smaller samples mean smaller costs. What is the problem with random assignments? You cannot always do it. If there is an entitlement program where everyone is entitled to a program service, you cannot construct a control group. You cannot always do random assignment if a program is under-subscribed. You do not have enough people to form a control group. Then, there is always the site refusals. Another criticism of random assignment is that it takes time to get the results. It takes years to set up and collect your data.

So what are the alternatives here? I will try to go through a few to give you a sense of what they are. The first is a pre-post design, also known as interrupted time-series. The second, and probably the most used is a match comparison group, where you find a comparison group from somewhere else. The third is instrumental variable. The fourth is regression discontinuity. Let me explain each one. A pre-post design is where you effectively compare outcomes after the intervention to before the intervention. This is appropriate when you do not have many significant confounding variables, and your intervention is the only thing that can explain the change in outcomes or the causal effect (for example, building schools increased enrollment of girls in schools). In match comparison designs, you find a comparison group somewhere else. It could be from eligible applicants, or SNAP-like recipients from another data source. There is a big controversy about these methods. Some studies, going back to 1986, have found that they do not replicate impacts from experiments. Some studies are more optimistic. Some have expressed extreme caution. There is a literature for better applications. In regression discontinuity or RD designs, there is a scoring rule that is used to define who gets the treatment. For example, only those with a low income get the services and those with higher incomes do not. Those are becoming increasingly popular, and replication studies are promising, but in order to do this you need to have a scoring rule that is used for your program which defines who gets the treatment, and who does not. It may be good in some instances, but it may not work in others. In conclusion, the credible quasi-experimental designs that are available if randomized control trials (RCT) are not an option, although if possible perform a RCT, require the right conditions

and larger sample sizes than experimental designs. Thus, they are problematic if you do not have sufficient enrollment.

Douglas Besharov: Can you talk about these alternatives within the context of SNAP?

Rick Hendra: I will just add a couple of points about some of these designs. With regression discontinuity, one of the benefits is that people who ordinarily would not have received the service are not necessarily excluded. With experiments, sometimes you have to exclude some people from the treatment who might otherwise be eligible. For example, you may have to exclude people from job training programs that they are eligible for to create comparison groups. Because you are taking advantage of the eligibility cutoff with the regression discontinuity design, that is not an issue. With interrupted time-series designs, thinking from the context of this study, you want a very long pre-history and you want a sudden, swift change in time, as Peter was saying. It is somewhat doubtful that we will see the kind of effects in Peter's schooling example with this intervention. You would worry about that. If you want to consider using something like that, you want to also consider having some comparison time-series designs to shore up the counterfactual. I also echo Peter on matching designs. The literature on matching is all over the map, and I think it depends crucially on having a really good sample comparison group and covariates.

Jacob Klerman: I want to finish what Peter started. He started with a list of conditions for which random assignment would not be a good idea. None of those conditions are satisfied here. This is not an entitlement program. I do not expect the problem to be under-subscription. Site refusal should not be a problem. FNS should write an RFP that says when you get the money you should agree to participate. So, none of the reasons for not doing a RCT apply, and taking the time to get results does not matter either. So, all the standard reasons to not do a RCT do not apply here. Furthermore, some of the standard arguments about why quasi-experimental designs do not work in certain situations are going to apply here in spades. We spoke with Tom Cook about matching studies when he was at Abt. He said, "It works here. It works here..." and we asked, "In earnings?". He said, "It does not work with earnings." That is our experience, and that was my experience when we were looking at welfare programs in California. Peter has a paper, and others as well, that show regression discontinuity designs require much larger samples. For the type of questions that people want to ask here, as we will get to later in this panel, sample sizes really matter. You do not want to burn sample on something if you do not have to. We want to know who is at work for larger samples, and Peter wants to correctly look at incremental pieces. So you do not want to waste samples on something else. I think we all agree that random assignment makes the most efficient use of the available sample. As much as Doug wants us to talk about the alternatives in detail, I think the panel is unified on that question.

Douglas Besharov: No I do not think you have answered it. You are not hearing the key problem here. First, you might have ten different states doing ten different things in violation of Peter's first axiom. Second, you cannot site randomize. Right? Therefore when FNS makes its grants, and it is under pressure to do urban-rural, Northeast-South, on the beach and in the mountains, and so forth, it is under a legislative imperative to mix and match. Can we say that is

right? That is in the legislation. The legislation is designed in a way that cuts off some of these options. That is all. Options are somewhat cut off. There are limited options for FNS. Anyway, let us keep going. What should we measure? What are the outcomes of interest beyond what is in the statute? How should we measure them? How interesting is administrative data in here? Can we reduce cost by doing creative things?

Jacob Klerman: I would argue that the tendency in most program evaluations is to measure too much actually. So it is very important to think hard and very clearly, early on, about what this program is trying to do, what the goals are, what the logic model is, and that should be the driver in data collection. You also need to think about the sequence of activities and timing in relation to effect. We have been talking about quick labor force attachments with job training. In the training literature, it says you need two years, but you probably really need about three years to see the impacts of a training program. You are likely to see negative effects typically in the first few years. So it is not only the outcomes we see that are important, but the timing is also critical. Up-front thinking is really important. As evaluators, we are trying to do a much better job at pre-specifying our outcomes so we are not going off on fishing expeditions looking for positive effects. For example, thinking in advance about what are going to be the key indicators of success, and doing some tiering between primary and secondary outcomes. Primary outcomes are going to end up in the press release or the executive summary. Secondary outcomes are certainly worth looking at, but not worth emphasizing.

The first thing we want to establish is what was actually tested. We know what we designed and what the model was, but what actually got implemented? Many tests have been undermined by really weak treatment differentials, where you have either control groups getting almost the same thing at almost the same dosage, or program groups having really low take-up. We need to establish what the level of participation was in the programs. Depending on the intervention, we have been talking today about pre-employment services, employment training, job search assistance, I would recommend doing that very early. There have been several times where we have ended up two or three years into a test, and found out that there was really no difference between the program and the control group. What we are trying to do are more short, small surveys early on to make sure that there is a decent treatment differential while you can still do something about it. This could include technical assistance, course corrections, or adjustments in design. There have been times when we have had to shut down a test because there is no difference in the program and the control group. Therefore, it is really important to measure that early.

In terms of the desired outcomes, many of them will be fairly obvious from the discussions today. Employment certainly is an outcome to be assessed. Employment retention needs to be measured well, not just by counting quarters, but by new methods that capture it better, such as earnings, or a breakdown of earnings, because a lot of earnings are due to working more, which is a valuable thing to know. We want to look at the components of earnings, like wages, hours, weeks, benefits, job quality, and income at the individual and assistance group levels. This being about SNAP, food security is a key outcome as well. Then there are the various kinds of measures of well-being. There has been an increasing focus on the measurement of social

networks. Some of these programs could break these groups into social networks, which could have pure effects that you would want to pick out. It would be anchored in a theory of change, that is the main point.

Douglas Besharov: Jacob, what data sources will be important to this demonstration? How much can we use administrative data versus, for example, the new hiring data system? How much will we have to survey the participants?

Jacob Klerman: This is perhaps the most consequential decision that FNS will make as part of the design of the RFP, or the RFA it puts out for evaluation. Many outcomes of interest are covered by administrative data, with low data collection costs. Clearly, SNAP caseloads and SNAP benefit costs should be covered by the state's administrative data systems. There is information on employment and earnings that is available from a variety of state and federal databases. The National Directory of New Hires that Doug mentioned is one of them. State unemployment insurance systems are another source. There are others as well.

There are other outcomes which would require a survey. In terms of this domain, the obvious issues are about hunger and food security. The claim is that SNAP is providing resources for purchasing food, and therefore avoiding hunger, or improving food security. Other measures of hardship are another possibility as well as broader definitions of income. That is the tradeoff here. Our experience is that survey costs drive evaluation costs, and therefore design, especially if Peter's conjecture is correct. I agree that some of these impacts are likely to be quite small. That would imply that the programs would need large sample sizes to detect them. Unless evaluation budgets are extremely large, there will be a tradeoff between collecting a lot of data, or a lot of information on a small number of people, or collecting more shallow information about a larger number of people. Therefore, the choice of outcomes will be crucial. The studies are at significant risk if they go to survey only of under-powering their studies, and therefore missing important impacts. Or even if they detect them, they cannot measure them relatively precisely, so we cannot determine which of the programs was better or worse.

The issues about sample size, which we will come back to later, are particularly important if we are trying to ask questions that require large sample sizes. The larger sample size would be required if we did a cluster randomization. Larger sample sizes would be required if we are interested in what works for whom. We have heard a lot of discussion today that impacts are likely to be heterogeneous, because the SNAP caseload is heterogeneous. That will also be important if we are not trying to test treatment versus control, but rather treatment A versus treatment B versus control. All of these things require much larger sample sizes. Then you are going to have a question about how much money can you really put into the evaluation itself, and do you want to put a lot of money into a survey where you can keep your sample sizes low, or do you want to do something else? Unlike the previous speaker, my personal preference here is to keep the samples large because I like the power it provides. However, this is at the cost of not being able to measure everything that is in my logic model. That is an important tradeoff. That is my reading of what we should do. But one reasonable analyst could disagree, and you could see some of that in this panel.

Douglas Besharov: Peter, this is a good way to go right into sample size. Here is the question. How do we think about the proper sample size for the power we want? And, will it not depend on both the model of the service and the outcomes we are interested in, given that earnings are a little different from caseloads?

Peter Schochet: I am going to ask the question, how many participants does one need? First, I want to make the point that having sufficient sample sizes is critical. People maybe do not realize this, but when we do a program evaluation, the estimates we get are measured with error. All we could really say is that they are within a particular band. So you need large samples in order to say whether your program effect is different than zero. The bigger your sample is, the more likely you will be able to do that. In order to get sufficient sample, clearly there has to be sufficient enrollment in order to generate enough treatment and control groups in these pilots. So what determines sample size needs? First, the unit of random assignment means a lot. What I mean by that is you can get away with smaller samples if your individual caseloads are randomized, rather than the groups. What I mean by a group is a SNAP office, a county, or even a state. You need much bigger sample sizes if groups are your unit. Clearly, your sample size needs depend on how big you expect your effects to be. This might depend on what the outcomes are, the strength of your intervention, and whether the programs are mandatory or voluntary. Clearly, you need smaller sample sizes if impacts are likely to be large. A critical issue for sample size is whether sites can be pooled or not. This is related to what we were talking about before. Whether you have a unified set of interventions or not is important. Clearly if sites can be pooled, any sample within a particular site can be smaller. Another issue is how much do the outcomes vary across people? If your outcomes vary a lot, that just introduces additional variability and error. So that is another factor. Let me give you an example of what sample sizes might look like. Suppose you are interested in looking at employment effects five years out, and you either have one site you are looking at, or five sites pooled, or ten sites pooled. You either randomize at the individual level or at the SNAP offices level, and you could see with 100 treatments and 100 controls per site, if you only have one site, the effect of your program has to be seventeen percentage points in order to be able to detect it. What that means is that your program needs to increase employment from lets say 50 percent to 67 percent, which is a pretty big effect. If you randomize at the SNAP office level, it is even bigger. If you start pooling sites you could see the numbers get smaller. So if you pool all ten sites, the effect has to be five percentage points, which seems more plausible. So, sample size is critical for having a rigorous design, and hinges on a lot of different factors.

Douglas Besharov: Now lets return to politics. We have a statute that is pretty firm about the fact that states can come in with a diverse set of programmatic options. Peter, the second thing is planned variation only by the hand of whatever. So, now we ask the question to the panel about structural issues. How many evaluations (one or more than one) across all sites? When do the evaluation contractors get signed? Before or after the grants come in? Before or after the grants are approved? These are all open questions that get to Larry's issue of how do the states, FNS, and the evaluators work together?

Jacob Klerman: I am going to talk to the timing issue. I am going to leave the number of

evaluations and evaluators issue to someone else. This is a really hard problem. FNS needs to issue two sets of RFPs or RFAs, one to the states, and one to the evaluators. Then presumably the states need to propose program designs, and evaluators need to provide evaluation designs. But the problem is that the proposals are interrelated. If a state decided it does not want to do random assignment, then it is not going to do any good for the evaluators to propose something that assumes random assignment. That means that we have some amount of deadlock here. Random assignment needs to be built ex ante and will affect, sometimes strongly, how the states implement. That is going to be particularly true if the design is going to be cluster random assignment. So in that case the state is going to have to propose to do random assignment in some offices, or some counties, and not others. That means these two things are very tightly related. The states need to implement their programs with evaluations, whatever the method is going to be, built in. And the evaluators need to exploit whatever the built-in evaluation features are. The timeline is very tight, so essentially the RFAs for the states and programs need to go out soon, and the RFQs to the contract evaluators need to go out soon as well. We heard earlier a little bit about the fact that FNS is not sure exactly when the evaluation RFQ is going to go out, but it seems pretty clear that it needs to go out very soon. As Peter said, we do not want to start late. In fact, we would like to be able to effect the details of how states implement. States need to know about the evaluation, and evaluators need to know about the program, which is impossible. The only guidance I have here is that is part of what this meeting is about, and that is why the three of us are here on this panel to say, “Here are the choices we are facing. Here are the features we would like to see in the states’ proposals where we can get the best possible evaluations.” We are hoping that some combination of those two things can go forward as FNS writes the RFA and RFQ.

Peter Schochet: I completely agree with that. I just want to reiterate the points I made before, which I think are critical. First, I think it is important to get the evaluators on board early to make sure that the interventions can be evaluated. I also think it is important that FNS has a unified class of interventions in mind, so that at least they can be pooled. As you can see, that is critical for power. Looking at each site alone, one by one, would cost a lot more than if there was some kind of a unified structure. We could also learn about replication in that case too, as we could then implement a similar thing across the country, rather than having a different thing everywhere. Another important issue we have not really talked about is the mandatory versus voluntary interventions. I would be interested to hear from the policy folks what their thoughts are on that. If it is a voluntary intervention, I am wondering whether take-up would be big enough to find effects.

Rick Hendra: I would just add in terms of the number of evaluations and evaluators, there has to be some kind of centralized entity, whether it be one evaluator or FNS, to ensure that measures are created the same way, similar data collection instruments are used, and so forth. We are really going to have a problem maximizing learning if we have everything collected differently. It is also very inefficient if you have multiple survey instruments. Some of the best work in the old welfare-to-work studies was enabled because people really sat down and coordinated simple things, like how the baseline survey was going to be designed the same way everywhere. Therefore, we could do nice multi-level kinds of site variation studies which would

be really great here. Whether there is one or multiple evaluators, there are some strong benefits to centralization, especially with data collection.

Questions & Answers

Douglas Besharov: Before opening the discussion to everyone, I am going to make a comment or two, and see if Brandon wants to say something. If you read the legislation, you have a number of possibilities for what is the prime purpose of the legislation. Strong evaluation and state freedom to propose and innovate are two of the biggest ones, and it seems to me that this panel has told us that to some extent those are inconsistent. A decision has to be made by states on what the programs should look like, or format that is pushed more by evaluation needs. If I have misstated that, correct me. But I think that is the issue. I do not know whether you want to address that at all, Brandon.

Brandon Lipps: I think you are correct on states wanting to innovate, and on strong evaluation. It takes guys much smarter than I am across the table to make that work. We realize there are some difficulties in that, but it has been difficult for a long time. I just want to reiterate that Congress, on both sides of the aisle, is very interested in dealing with this issue. We heard some great stories from states today. Congress does not know how to react to those things because they do not know what data to rely on, and we hear within our own conferences, within our own states, that we do not have good data. We believe, those who negotiated this thing believe, that it is possible to come to some kind of conclusion on these various proposals. So while there may be inconsistencies, we have to move forward as best as we can. We just need states to step up to the plate, come with innovative ideas and put forward the resources necessary to move those things forward. It is a political answer to a very technical question, but thankfully that is not my job.

Robert Doar: Is not it really FNS's job to decide whether to include the evaluation method they will use in the RFP to states? Is that what is going to happen? In the drafting of that document, you will make a decision based on inputs and say, "We will at least include this evaluation in the program," and so on. Is not it possible that the identifying and pushing of a particular evaluation method in the RFP will make some states unlikely or unwilling to apply?

Douglas Besharov: I promised Rich Lucas that he would not have to answer questions like that unless he wanted to.

Rich Lucas: Yea, I am not going to really give you an answer to that one. But I will observe. First of all, I wanted to thank Jacob because he very well characterized the temperature of the soup that FNS is in. We know that a choice needs to be made here. We know the importance of balancing these things, and we take that very seriously. This is really helpful. Clearly, the structure needs to be fully clarified before we can implement anything, but I think there are going to be pieces of that you might see in each of these documents.

Robert Doar: I would say on the dialogue about administrative data versus survey data, the

experience that I had at the city and state level is that costs went up dramatically when you used surveys. Use of the administrative data is more cost-effective, and you can get some very good findings. So I would urge you to think about that.

Howard Rolston: I think that we really can learn a lot about getting good evaluation from the experience of waivers with AFDC, food stamps, and Medicaid. I think there are lessons on both sides. Things that were done well, and things that were not done well. For example, despite having a lot of control over it, giving the states money to evaluate their own programs, even with very stringent conditions, is not likely to produce the kind of consistent evidence that you want to be able to present to Congress and the community. I think the tensions that have been mentioned today are real, but I think there is great potential to give states pretty much full flexibility to be able to insist at the same time, and at the outset, that as a condition of getting the money they agree to the evaluation design that you determine is the most reliable design given what the intervention is. That could be a condition of getting the money, and it might involve cluster random assignment, it might involve individual random assignment, or it may be a non-experimental design. But you are going to decide that at the end. What that entails is very important, which is getting an evaluation contractor on board early who can really help you to assess what the intervention is, and what it is likely to take to measure it. I think part of that often is getting out into the field, which obviously federal staff cannot readily do given other kinds of constraints. I think it does press for getting in early to just make it clear from the outset that the ultimate arbiter of producing reliable inner evidence for this particular intervention is the Department of Agriculture. Those are sort of the rules of the game, but you are going to have a lot of flexibility in deciding what it is.

Jacob Klerman: I partially second Howard's comment. One approach we have seen is grant competitions in which not everyone will win. States can be judged partially on their applications in which they would show what kinds of evaluations they would be willing to accept. This way, if a state does not want a certain evaluation method, there could be grant standards, or regulations that can penalize these kinds of states, or provide less grants to them. You can explicitly note that in the SGA or RFA, and make it a scoring criteria later. That is at least one possibility. Secondly, in my reading of the legislation, and I could be wrong in my interpretation, it is not primarily intended to fund large programs. It is legislation which is primarily intended to cause us, or help us, learn more about what we should do in the future. As much as that reading is correct, which it may not be, then that would suggest evaluability should almost be a primary goal as FNS chooses between state applications. The extent to which the proposals that the states are making are evaluable, we can answer the question "Did the program work?" And the flexibility that the states are offering in terms of what the states are willing to do to work with evaluators.

Barbara Devaney: I wanted to revisit the survey data collection versus administrative data. Not so much which to do, but rather some advice to FNS about the relationship between the evaluation and the pilots that would be funded. I think everybody's experience is that administrative data is a source that is more cost-efficient. Designing and mounting surveys and getting OMB clearance (you need OMB clearance with administrative data too) takes a very long

time which makes it more expensive. Administrative data is often, however, seen as a panacea, like it is just going to fix it all. I think it also needs to be required that the pilots provide administrative data that is clean, and that will be able to be used for an evaluation, because sometimes cost savings from not doing the survey disappear when it takes months, or years, to obtain the administrative data needed to carry out the evaluation. So, that is just a piece of advice on that.

Robert Doar: In all due respect, let me just say this one more time. There has been one piece of legislation put together that had mandatory work programs on a substantial population, the AFDC to TANF population. I wrote those provisions. You guys are very bright. I disregarded every single study you guys did in designing that because they were completely wrong. I read them all. They were all wrong. I used caseload data. I used quasi-experimental assignments. I predicted that the caseload would go down dramatically, while your study said it would not. You were wrong. It is that simple. Now you need to listen. There are useful things that come out of your studies, but in a certain fundamental sense you are like the guy searching for his lost keys in the alley when the lights are turned on. I went back into the alley, and I looked at Wisconsin to find out why the caseload was going down 5 percent per month in various counties. Dramatic stuff. Why is it that if the programs are done right, you get effects that look like the school thing you had? You have a program or intervention, and the caseloads go down just like that. I have seen that since the Carter administration. It depends on what the quality of the program is. If you do not measure entry effects prior to application, the studies are not worth the papers they are written on. That is the first thing I would say from my perspective. Secondly, even if you do that, you have got a secondary problem that the message effects are massive in effective programs. When Tommy Thompson, who I still think ran one of the best work programs that has ever been run in the US, was doing that in the 1980s and 1990s, he was on television like every week talking about his programs. There is no way that you could insulate the control group from that. The same thing was really true with Giuliani in New York. It is largely been true that every program that I have ever seen has had large behavioral effects. I do not know what to do about that. The final point is the specifics of the programs really matter. In 1994, you guys came and said that the best program out there is in Riverside, California. It had a 5 percent reduction in caseload size multiple years, and it was a “saturation” program. Why spend money on a “saturation” program when in reality all those people in Riverside were not doing anything but sitting in queues, and not engaged in activities? I did learn something from that, which is recipients sitting in queues, waiting for activities, has no effect whatsoever. In every program I have been involved in since then, I have said “do not put them in queues.” They have to be engaged in activity. Those levels of details almost never show up in terms of what you actually do to make a program effective at the administrative level, and they are critically important. There is a certain level of information in what you do, but it does not actually tell you why this county worked and this one did not.

Brandon Lipps: That is hard to follow up. I just want to touch on two points. First, about the issue of state freedom and evaluation: in all the talks and discussions on this issue, state freedom issues are really about states being able to test the various methodologies. I think we are hearing from USDA at various levels that they are getting the message that Congress wanted the

mandatory versus voluntary work approaches to be tested. That is where we are with that. The other point is about the evaluation piece, which is a difficult one to process. With the comment that Howard made earlier about making sure that the evaluators are brought on early so that these things are designed properly, \$10 million was made available, and was intended for that purpose in 2014. This amount was intended so that evaluation could be designed properly and early on. We intended to provide you with the necessary resources to make that happen. One last comment on Jacob's comment about this not being a large program. It is not what it was intended for. I do think with Mr. Southerland's original amendment that it was intended to be a large program. That is what he was looking for. Sadly for a number of people in the room, that is not where we ended up with a divided Congress. It is a smaller program in which we want to learn something significant. So you are correct about that.

Larry Goolsby: From our perspective (APHSAs and its members), unless this results in a wide range of very innovative approaches then we will consider it not successful. The input we had to Congress' farm bill was to open up the SNAP program to all kinds of innovative approaches in multiple sectors. For example, the way the benefits were done, the way that administrative structures are approved and carried out, and so forth. This is an excellent example of one part of that innovations agenda. We are really going to be pushing hard to have this have a broad scope. I appreciate the challenges, and discussions are good to illuminate them. We will be pushing hard to see that. I think that one thing that may help that we have been hearing a lot about is rapid cycle evaluation. I understand that Mathematica has some interest in carrying that out. To the extent I understand it, it seems to be a way to get quick early obvious results from innovations, and make changes then to steer the course of a program in the direction that is giving you better results. Again, early results may not be valid for some of the reasons we have heard here. To make these programs as effective in the end, and as successful as they can be, it seems that there should be some on the fly adjustments that should be considered. This gets us to the issue of what is the outcome? That is, what is the most valid, most achievable, and most applicable across the board? I am not sure what that is. Larry Temple said that if you got a job that has reasonable wages, and a reasonable number of work hours, it is a success. If you do not achieve that, then it is not a success. However, this is not necessarily endorsing it. It seems to me that a clear and fairly common sense approach across the board will help better capture the ultimate outcome. I just know that many previous evaluation studies have been an impediment to innovation, testing and learning. That is how we see all this.

Farrah Freis: I have two questions because of the rarity of having all these groups together here today. First, what do you mean by a unified approach, and what are your set of parameters? Are you really talking about a unified kind of intervention, or are you trying to get at a unified population, or are you talking about a unified piece of the puzzle? Obviously, the tension here is real, important and meaningful. The second question that would be helpful is to what extent can you look at, and what are the sort of design choices you would have to make to tease out the effects of the interventions or choices made there, versus choices like mandatory-voluntary programs, and other sorts of underlying factors?

Peter Schochet: I am happy to start with that. I would first like to make a comment about rapid

cycle evaluations (RCEs), which are very useful. Effectively, they are a pre-post design where you are tracking outcomes over time. It is certainly used to fully monitor program progress, and to look at whether standards or achievements are being met. But they do not involve any kind of comparison group, so you cannot really say that some of the changes were caused by the program, but you could say there was some change. You cannot tell why. You need well-constructed comparison or control groups to disentangle the effects. How would these people have done if they did go into the program? There is a place for RCEs, but it does not replace a rigorous, causal experiment.

What I meant by unified is often what we do as evaluators is when there are ten sites that are all doing something else, we tend to pool them and say, well on average, it looked like the effect was X. Somebody might ask, “Why are you pooling ten disparate sites?” Our answer to that usually is because there was some kind of common funding stream that ties a thread. That is not very satisfying. When you get to the other question, how do you tease out the effects, how do you know it was effective in one site but not the other? Was it their population? Was it their intervention? You cannot really do that well for a number of reasons. First, you do not have enough sample. Your power was not great enough. You do not get information from any other sites. So what I mean by unified is that there could be sort of a class of interventions that you could sort of pool and argue that they are being replicated in some loose form in different sites. That gets at my second question. As a bunch of us mentioned, there is the idea of planned variation rather than a single treatment and a control. Let us say you have three groups. Group one is the control, so they get their current treatment. Group two gets just the case management. Group three gets the case management, the training, and the work experience. Then you can compare all three groups, and you can learn more. For example, Mathematica is doing a study like that in one-stop centers, where there are tiered random assignments and you can potentially learn more there. So that is what I mean by a unified approach.

Conclusions and Next Steps

Douglas Besharov: I am going to bring us to a close here. I am going to take the liberty of having the last word. I think through the whole day what you have seen is the tension between evaluation and innovation. I do want to express my impression not just from today, but also from talking to various stakeholders. I think Larry does express the view of the large majority of states. Not just the ones at this table, but around the country. I was quite struck when I spoke to Stacy. The most encouraging thing she said about this legislation is that she was very positive about the degree of flexibility that the states would have to propose things that have not been tried before.

I hope that this will play out with a fair amount of sensitivity on both sides. This is not, however, something that will easily be resolved by fiat in either direction, except to say that its 3 o'clock and Jason Turner gets the last word.

Jason Turner: For me, the conference was delivered as advertised. We wanted to get FNS

together with evaluators and states to talk about how this thing, the legislation or the law, would actually be operationalized. We had a great discussion on that all afternoon. I am pleased with all of the contributions. Thank you everybody for your contributions. The webinar will be posted on the website. We will get the instructions out in order for everyone to be able to check that out. Again, thank you very much for coming.