

CLASP
CENTER FOR LAW AND SOCIAL POLICY

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**Increasing State and Local Capacity
for Cross-Systems Innovation:
Assessing Flexibility and
Opportunities under Current Law**
Implications for Policy and Practice

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January, 2005

*A Collaborative Project of the
National Governors Association's Center for Best Practices,
Hudson Institute, and Center for Law and Social Policy*

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Printed in the United States of America.

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Preface

This paper was written as part of a collaborative effort between the National Governors Association Center for Best Practices, Hudson Institute, and the Center for Law and Social Policy (CLASP). Funded by the Annie E. Casey Foundation, the purpose of the “Increasing State and Local Capacity for Cross-Systems Innovation” project is to gain a clearer understanding of the flexibility, opportunities, and barriers that exist under current federal law with respect to cross-program integration both within human services programs and across the welfare and workforce systems. The opinions expressed in this paper are solely those of the authors and do not necessarily reflect the views of the institutions with which they are affiliated or of any other organization.

Three additional papers, upon which this paper draws, were produced as part of this project. They include:

- “Providing Comprehensive, Integrated Social Services to Vulnerable Children and Families: Are there Legal Barriers at the Federal Level to Moving Forward?” by Rutledge Q. Hutson of CLASP.
- “Integrating TANF and WIA Into a Single Workforce System: An Analysis of Legal Issues,” by Mark H. Greenberg, Emil Parker, and Abbey Frank of CLASP.
- “Aligning Policies and Procedures in Benefit Programs: An Overview of the Opportunities and Challenges Under Current Federal Laws and Regulations,” by Sharon Parrott, David Super, and Stacy Dean of the Center on Budget and Policy Priorities (CBPP).

These papers are available at: http://www.nga.org/center/topics/1,1188,D_6518,00.html.

OVERVIEW

The flexibility provided by the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) afforded new opportunities for states to deliver coordinated services through greater cross-program integration. Experience since that time has heightened the resolve of many states and localities to identify new opportunities for and address remaining barriers to integration of programs designed to assist low-income individuals and families.

There are, however, many challenges to state and local service integration. The conflict between state strategies for providing coordinated services and the narrow and restrictive federal funding and regulatory structures through which these services are provided is frequently identified as a challenge. Yet, there is no common understanding of the extent to which such things as federal funding silos, different eligibility and reporting requirements, and conflicting regulations actually impede or at least increase the difficulty of serving families in a comprehensive and holistic manner. This was particularly evident during consideration of the expanded waiver authority—which came to be known as the superwaiver—included in the Bush administration’s 2002 proposal to reauthorize the Temporary Assistance for Needy Families (TANF) block grant.

Therefore, in an effort to diagnose the extent of the problem, three different models of potential service integration were analyzed. These models focused on:

- integrating TANF-funded employment efforts with programs under the Workforce Investment Act (WIA) to create a workforce system in which service strategies are based on individualized determinations of needs rather than narrow categorical eligibility rules;
- aligning policies and procedures in public benefits programs—Medicaid, the State Children’s Health Insurance Program (SCHIP), TANF cash assistance, and state child care programs under the Child Care and Development Fund (CCDF)—to provide for a single application and harmonized verification, reporting, and recertification requirements; and
- providing comprehensive services to children and families, with family-based case management and the capacity to link family members with needed services.

While each analysis came to different conclusions about the extent to which current federal law poses significant barriers to adopting the given model, the overall picture that emerged is that a wide variety of options can be pursued at the federal level to help state and local service integration efforts. While some options would necessitate changes in federal law, others could be implemented by federal agencies within their existing

authority. While the feasibility of pursuing each of the options varies, the authors believe that some of the most feasible could make a significant difference in supporting state and local service integration efforts. In particular, we support a strong federal technical assistance role as well as a concerted effort to address needless inconsistencies that make service integration efforts more difficult.

We have, therefore, developed recommendations for consideration by both the federal executive and legislative branches of government. While each author may have additional recommendations, we agree that the following steps would help support state and local service integration efforts.

We recommend that the federal government, and specifically agencies within the executive branch such as the Departments of Health and Human Services, Labor, Agriculture, and Housing and Urban Development:

- assume a significantly enhanced role in generating and sharing information about legal and non-legal issues arising in service integration efforts and how those issues are being or might be addressed;
- develop a significantly enhanced capacity to provide technical assistance in response to requests by those engaged in state and local service integration efforts;
- consider the extent to which proposed regulations either enhance or impede efforts to integrate services across and within departments;
- in conjunction with the Office of Management and Budget, examine ways to simplify cost allocation requirements with specific attention to how such requirements may be appropriately satisfied in service integration efforts; and
- review other existing regulations to determine and address requirements that may make service integration unintentionally more difficult.

In implementing these recommendations, we recommend that:

- The noted departments designate specialized staff with responsibilities for service integration initiatives who could function as ombudspersons responsible for responding to inquiries from federal and state agencies concerning service integration questions.
- The departments work together to address options to help state and local service integration efforts by establishing a federal “Interagency Project on Service Integration” that would be responsible for:
 - Ensuring proposed regulations relating to low-income assistance programs developed by the noted departments are accompanied by a statement of impact on closely-related programs.
 - Reviewing, prior to publication, proposed regulations to deter-

- mine the extent to which they impede or promote service integration and reporting these findings to the relevant departments.
- Developing “model” definitions for commonly used terms (such as “administrative costs”) in closely related programs. Agencies, in promulgating regulations, should seek to use the model definitions unless there is a clear legal or policy reason for using another definition.
 - Working with the Office of Management and Budget to review, modify, and streamline cost allocation requirements.
 - Guidance and input be provided to the Interagency Project on Service Integration by an “Advisory Committee on Service Integration.” The Advisory Committee should:
 - Have representation from state and local governments, researchers, and policy organizations.
 - Advise federal agencies of key questions on which a stronger federal information-generating and -sharing role would assist state and local efforts.
 - Participate in the review of proposed regulations to determine the extent to which they impede or promote service integration by submitting comments to the Interagency Project on Service Integration.
 - Develop recommendations regarding current regulations for instances in which resolution of regulatory inconsistencies could enhance service integration, including cost allocation requirements.

We also recommend that Congress and its service agencies assume greater responsibility for considering the extent to which proposed legislation either enhances or impedes efforts to integrate services across and within departments and related programs. In particular, Congressional committees should, in developing legislation in areas relating to low-income assistance:

- Seek the assistance of the Congressional Research Service (CRS) so that prior to enacting new legislation, committees receive a report from CRS identifying possible implications that the new legislation might have on closely related programs.
- Provide other relevant committees an opportunity to review and comment on legislation before the bill is reported out of committee.
- Consider the relevance of “model” definitions developed by the Interagency Project on Service Integration in developing legislation and use the model definitions unless there is a clear policy reason for using another definition.
- Based on recommendations from the Interagency Project on Service

Integration, consider legislation that would provide states with state options to harmonize definitions of key terms and reporting requirements across closely related programs as well as cost allocation requirements.

In making these recommendations, we hope to move the discussion of the federal role in promoting service integration beyond discussion of the superwaiver. There will likely be continued disputes about the superwaiver, and the authors of this paper still disagree about its advisability. At the same time, it seems clear to us that, regardless of how the superwaiver controversy is resolved, there is far more that could be done at the federal level to promote integration.

INTRODUCTION

The flexibility provided by the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) afforded new opportunities for states to deliver coordinated services through greater cross-program integration. Experience since that time has heightened the resolve of many states and localities to identify new opportunities for and address remaining barriers to integration of programs designed to assist low-income individuals and families.

There are many challenges to state and local service integration relating to issues ranging from leadership and management capacity to mission and vision clarity. However, some state officials contend that a key impediment to service integration is the conflict between state strategies for providing coordinated services and the narrow and restrictive funding and regulatory structures through which these services are provided. They have asserted that federal funding silos, different eligibility and reporting requirements, and conflicting regulations impede or at least increase the difficulty of serving families in a comprehensive and holistic manner.ⁱ

Although the issue of service integration is not new, the debate regarding the balance between state flexibility and federal requirements was brought to the forefront in 2002 in the context of welfare reform reauthorization. The Bush administration's proposal to reauthorize the Temporary Assistance for Needy Families (TANF) block grant—the primary federal cash assistance program for impoverished children—included a provision authorizing federal agencies to approve waivers across a broad range of public assistance, workforce development and other programs.ⁱⁱ The administration asserted that the proposed waiver authority, which came to be known as the superwaiver, was designed to build on the federal government's past practice of permitting states to waive federal regulations governing social assistance programs in the interest of reform and experimentation with better ways of delivering social services. Critics asserted that the superwaiver approach was not an effective way to address larger underlying structural problems and ran the risk of undercutting key federal protections and accountability.

The superwaiver proposal generated a significant amount of controversy and debate. Within a few months, it became clear that discussions about the superwaiver could sidetrack the need for broader consideration of service integration. In response, several organizations began to exchange ideas about how the policy-devolution and systems-integration agendas might be pursued in ways that improve services for low-income families with children. As part of this process, the National Governors Association's (NGA) Center for Best Practices, Hudson Institute's Welfare Policy Center, and the University of Wisconsin's Institute for Research on

Poverty, in consultation with other interested organizations, developed an initiative to promote a dialogue about state flexibility that is grounded in evidence, experience, and substantive inquiry.ⁱⁱⁱ

Although the initiative was designed to address several facets of the service integration agenda, it was clear from the outset that there was no common understanding about the extent to which federal statutory and regulatory requirements impeded state and local service integration efforts. This lack of a common understanding made it difficult to discuss the best solutions for addressing impediments to service integration. Therefore, the first step of the initiative was designed to diagnose the extent of the problem at the federal level. With funding from the Annie E. Casey Foundation, the NGA Center for Best Practices engaged the Hudson Institute and the Center for Law and Social Policy (CLASP), with additional technical assistance provided by the Center on Budget and Policy Priorities (CBPP), to analyze the flexibility, opportunities, and barriers under current federal law with respect to cross-program integration and collaboration.

CLASP and CBPP generated analyses of legal issues in three areas in which states and localities have wished to advance service integration. These analyses formed the basis for a working session in October 2003 that brought together state and local administrators, federal officials, researchers, policy advocates, representatives of state organizations, and others to discuss the analyses and their implications for state and local integration efforts and for federal policy initiatives in support of such efforts.

In this paper, we:

- Provide background information about how the three models were developed and about the strengths and limits of such an approach as a means of better understanding legal issues faced in services integration efforts;
- Describe the principal conclusions reached in the three analyses;
- Summarize key points that emerged in the stakeholder discussion of the analyses and legal barriers to integration;
- Identify and discuss considerations of possible legislative and non-legislative actions that could be undertaken by the federal government in support of state and local service integration efforts; and
- Offer conclusions and proposals for next steps.

DEVELOPMENT OF THREE SERVICE INTEGRATION MODELS

In considering how to best focus the analysis of federal legal barriers, we faced the reality that there are many different variations of potential service integration strategies, and it was not feasible to develop and test every possible scenario. Therefore, we decided to focus on three specific service integration models, based on previously articulated interests on the part of state and local representatives. We sought guidance in developing the details of the models from a variety of stakeholders. (Appendix A lists the individuals from whom we sought input regarding the models.)

Ultimately, the three models (presented in more detail in Appendix B) focused on:

- integrating TANF-funded employment efforts with programs under the Workforce Investment Act (WIA) to create a workforce system in which service strategies are based on individualized determinations of needs rather than narrow categorical eligibility rules;
- aligning policies and procedures in public benefits programs—Medicaid, the State Children’s Health Insurance Program (SCHIP), TANF cash assistance, and state child care programs under the Child Care and Development Fund (CCDF)—to provide for a single application and harmonized verification, reporting, and recertification requirements; and
- providing comprehensive services to children and families, with family-based case management and the capacity to link family members with needed services.

After identifying and refining the models, content experts in the relevant program areas at CLASP and CBPP engaged in legal and technical analysis to identify components of the models that could be achieved under current provisions of law and regulations, and clarify the necessary authority and process. The overall intent of the analysis was to identify any specific legislative and regulatory impediments to implementing each model.

While the completed analyses provided valuable insights (discussed in the next section), the analytical strategy followed had some limitations. First, as previously noted, integration opportunities and barriers were analyzed in three areas. Clearly, other integration strategies—involving other programs or different structural changes that alter more basic features of those programs—could be designed and analyzed. While the integration strategies analyzed in these papers were designed to reflect those often discussed by state agencies, these analyses do not speak to all integration possibilities.

Second, there were differences in the specificity of the three models.

The model with the greatest clarity—aligning policies and procedures in benefit programs—was the most conducive to definitive conclusions. Conversely, the model with the least clarity—providing comprehensive services to children and families—was the least conducive to specificity in terms of defined programmatic issues.

Third, the analyses were intended to focus solely on the legal impediments to integration. As previously noted, other impediments include a range of leadership, capacity, and administrative issues.^{iv} These, as well as other issues related to service integration, will be examined in other dimensions of the overall initiative.

Despite these limitations, the analyses provide significant insight into how much flexibility already exists within current law and practice. This, in turn, allows for a more informed dialogue about possible strategies for addressing the concerns identified.

FINDINGS OF MODEL ANALYSES

This section summarizes the key findings from the analyses of three models and then offers a set of observations looking across the three papers. The findings and conclusions are those of the authors of the individual papers, and are discussed in greater detail in the separately issued papers. The authors of this document do not necessarily agree with every aspect of each analysis nor do they endorse all of the findings and conclusions reached.

Integrating TANF and WIA into a Single Workforce System^v

A number of states and localities want to better coordinate or integrate workforce development efforts under TANF and WIA. The goals of TANF and WIA are overlapping but not identical. TANF provides a funding stream that can be used for a broad range of services and benefits, including efforts to link low-income unemployed parents with work and to provide supports to low-income working families. WIA seeks to integrate a range of employment and training programs into a single one-stop delivery system, with all unemployed and employed workers potentially eligible for a range of services, and with a strong focus on responsiveness to the needs of the business community.

We sought to consider issues arising in efforts to develop a fully integrated workforce development system. In this model, all unemployed and employed workers could seek employment assistance from a universal system, and states and localities could structure service strategies based on individualized assessments and needs rather than dictated by federal rules that specify particular approaches for particular categories of claimants. Services that would be available would include training and skills development, work supports such as child care and transportation, and income supports.

The authors conclude that there are numerous areas in which differences between the legal requirements of TANF and WIA make implementation of such a model difficult. Overall, these differences fall into three categories:

- **Fundamental policy-based differences.** Some differences occur because of features of one or both funding streams that Congress likely views as fundamental. For example, TANF uses participation rates, and WIA uses performance measures. This is a critical difference, but not an oversight. There are policy reasons that explain why Congress wants to use participation rates in TANF and performance measures in WIA. When there is a very strong policy basis for a particular approach, it is doubtful that an interest in fostering integration would be a sufficient reason for Congress to allow overriding the underlying policy.

- Statutory/regulatory differences that occur for a reason, but may not be fundamental. In instances in which there is a policy basis that seems less than fundamental, Congress might be more receptive to modifying the rule in one program in the interest of reducing complexity and supporting integration.
- Differences that are unlikely to reflect underlying policy differences and may be inadvertent. For example, various differences in data reporting requirements may simply reflect differences in how the statutes were worded or how implementers designed their requirements. In such instances, it is difficult to see any policy reason why the respective agencies should not work to harmonize their approaches and to identify areas in which action by Congress is needed.

The authors conclude that it will be impossible to fully resolve all identified differences as long as the underlying fundamental differences remain. However, an effort by federal agencies to eliminate needless differences, and identify and resolve or present to Congress those for which policy justifications may not be strong, would assist state efforts to bring TANF and WIA together in a single workforce system.

The following reflects the authors' specific findings, organized by various components identified in the model.

Eligibility for Employment Services. Between TANF and WIA, it is technically possible to provide employment services to any unemployed adult and to any low-income employed adult. TANF, however, is more limited in who can be served: primarily low-income adults with children. With respect to eligibility, the biggest problems states are likely to face are not the inability to find a potentially allowable funding stream, but the lack of sufficient funding to serve all eligible persons, the occasional complexity of the rules, and the fact that numerous requirements (e.g., participation, performance, data reporting) flow from which funding stream is used.

Providing Employment Services. Under both TANF and WIA, states have broad discretion in deciding which employment services to fund.

However:

- For families receiving TANF assistance, a state must meet federal participation rates to avoid risking a penalty. Families must be engaged in one or more listed activities for a specified number of hours each week to count toward participation rates. Thus, a state is theoretically free to fund any employment service that the state deems appropriate, but the state may be constrained in practice based on which activities count toward federal participation requirements.
- For individuals receiving WIA-funded services, access to intensive and

training services depends on satisfying sequential eligibility requirements. Additionally, if WIA funds are used to provide training for an adult or dislocated worker, then subject to limited exceptions, the training must be provided through an individual training account (i.e., a voucher to be used with a provider of the participant's choice, chosen from among a list of eligible providers established by the state).

Supportive Services. States have broad flexibility in determining whether and how to provide supportive services under TANF; however, if the supportive service falls within the definition of “assistance,” a set of requirements—time limits, participation rates, child support cooperation—apply to the family. States do not face the same constraint under WIA, but can only use WIA funds for supportive services for individuals who are unable to obtain supportive services through other programs providing such services.

Income Support in Connection with Employment Services. When using TANF funds, a state may design ongoing or short-term income support for participants receiving employment services, though ongoing income support is considered “assistance” subject to the assistance-related requirements. WIA only allows needs-based payments for participants in or awaiting training, and subject to other limitations. Thus, if a state or local area wished to provide needs-based payments to all needy participants receiving employment services, it would be possible to use TANF funds for families, and WIA funds for single individuals, but the effective constraints (apart from limited resources) would be that the TANF funds will often be considered assistance, and the WIA funds are limited to individuals in training.

Performance Measurement. There are significant differences between TANF and WIA in how performance is measured. TANF has bonuses for “high performance” and reductions in out of wedlock births, but the principal measure of performance under TANF is probably the participation rate structure. WIA uses outcome-based performance indicators for state and local performance; state performance can be the basis for receiving incentive funds or penalties; local performance can be the basis for receiving incentive funds or to the Governor taking corrective action. In a fully integrated system, one set of measures would be used to assess performance for all participants. Because WIA and TANF measures are different, states face two options, both of which may be problematic. An integrated system could elect to apply the same TANF-type participation requirements to all individuals, but this would significantly curtail discre-

tion and might often result in inappropriate plans. A state or locality could collect WIA performance-related data for all individuals, including those receiving only TANF-funded services, but the WIA-related performance measures would not be relevant for purposes of TANF performance measurement, and those receiving only TANF assistance would not be part of the WIA performance measurement structure.

Participant Reporting Requirements. Both TANF and WIA have extensive participant reporting requirements, and there are many differences across the requirements. TANF's requirements apply to families receiving assistance. WIA's requirements apply to registrants. In a detailed side-by-side comparison of the requirements, the authors found that very few of the data elements were identical or nearly identical. The differences, though, largely flow not from failure of federal agencies to coordinate, but rather from differences in the information needed based on the legislative requirements of the two programs.

Administrative Structures and Decision-Making. TANF does not require any particular administrative structure, and states are free to determine which program activities should be conducted by state government, local government, or private entities. WIA specifies a governance structure at the state and local levels and the role of one-stop centers as a means of service delivery. A limited number of states are authorized to operate with a single statewide area, but in many states, jurisdictional boundaries for TANF and WIA are different.

Benefits Simplification and Integration^{vi}

Lack of coordination among the core benefit programs administered by states can make it difficult for eligible families to receive all of the benefits for which they are eligible. This is especially true for low-income working families who are struggling to juggle work and family obligations. A number of states have identified the need to simplify and align policies and procedures in public benefits programs to provide for a single application and harmonized verification, reporting, and recertification requirements as a means of addressing these concerns.

For purposes of this analysis, the model focused on the creation of a system in which a family completes one simple application that covers multiple programs, submits a single set of verification documents that are used for all benefit programs; in which the family participates; provides updated information only at consistent intervals, which is then used to update eligibility in all programs; and completes a single eligibility review covering all programs once per year.

The authors conclude that states have significant opportunities under

federal law to implement this model through streamlining and integrating the rules governing Medicaid, the State Children's Health Insurance Program (SCHIP), food stamps, Temporary Assistance for Needy Families (TANF) cash assistance, and state child care programs under the Child Care and Development Fund (CCDF). Many of these opportunities are fairly new: the 2002 Farm Bill greatly expanded state flexibility over food stamps (the area where federal rules have historically been most restrictive), enabling states to streamline and integrate their rules in an array of low-income programs. A number of states are starting to take advantage of these opportunities, and other states are likely to follow suit as they become more familiar with their new flexibility.

The following reflects the authors' specific findings, organized by the forms of alignment permitted under current federal law and regulations.

States can use one application for multiple benefit programs. In recent years, many states have developed simple, short, and user-friendly applications for their Medicaid and SCHIP programs. With modest changes, these applications can also serve as initial applications or screening tools for other programs, such as food stamps and child care.

States can use a single, simple set of verification requirements for multiple programs. States have near-total discretion in establishing verification requirements for Medicaid, SCHIP, TANF, and child care. They can use this flexibility so that families only need to submit verification of income or other eligibility factors *once* and that verification is used by multiple benefit programs (even if benefits are not applied for simultaneously).

States can create a single set of reporting rules for multiple programs. The 2002 Farm Bill's changes in food stamp rules make it far easier for states to reduce the number of occasions in which families must report changes in income and other circumstances that might affect their eligibility for the program. (Previously, food stamp households were required to report even modest changes in circumstances.) This has given states new flexibility to simplify and align their change-reporting rules across a range of programs. Such a step would be particularly helpful for working families, which are burdened by complex and uncoordinated reporting rules since their incomes tend to fluctuate much more than those of non-working families.

A state can take many approaches. For example, it can create a system in which families generally provide updated information on their income and other circumstances every six months; the state then uses this information to review and extend the families' eligibility in all of the ben-

efit programs in which they participate. States would not have to require any other reporting of income changes unless a food stamp household's income rose above 130 percent of the poverty level.

States can conduct a single eligibility review to cover multiple programs. Federal rules require states to review the eligibility of persons receiving food stamps, Medicaid, and SCHIP at least every 12 months, but states may review eligibility more frequently. In TANF and child care, states have broad discretion to establish their eligibility review policies. This flexibility allows states to align the eligibility review dates so that a single review can be conducted for all benefit programs.

States also can ensure that information obtained in an eligibility review (or semi-annual report) for one program is used to update and, if appropriate, extend eligibility for other programs as well. For example, when a family completes a food stamp review—or submits a semi-annual report—the state has the information it needs to update Medicaid and SCHIP eligibility and, if appropriate, extend or “reset” the Medicaid or SCHIP eligibility period.

States can adopt a common policy across multiple programs regarding what counts toward the programs' income limits and asset limits. While each program would retain its own income limit and asset limit (if it has one), adopting common definitions of what *counts toward* those limits would help eliminate the confusion often faced by families applying for multiple programs—and by caseworkers attempting to help them.

The 2002 Farm Bill allows a state to align the income- and asset-counting rules it uses in food stamps to the state's rules in TANF and/or Medicaid for family coverage. Since states have very broad flexibility over the rules in those latter two programs, the Farm Bill provision largely allows a state to define for itself the types of income and assets it wishes to consider and to align those rules across the major benefit programs. (States have full flexibility to establish income- and asset-counting rules in SCHIP and child care programs, and thus can adopt the same policies in these programs as well.)

Many states do not have asset limits for certain programs, such as Medicaid for children, SCHIP, or child care. In these cases, the state could adopt a common asset-counting rule only for those benefit programs that have asset limits.

States can pursue additional simplification initiatives through existing waiver authority. States can pursue other simplification initiatives that involve

Medicaid, SCHIP, or food stamps by applying to federal agencies for waivers of program rules. (States do not have similar waiver authority under TANF and CCDF; however, these programs already provide for broad state flexibility concerning administrative procedures and treatment of income and assets.) Waiver authority for these programs is fairly far reaching—though the federal government generally requires that waivers not increase federal costs—and states have achieved modest but meaningful advances through waivers. Furthermore, states can seek cross-program waivers. Many states had joint AFDC, food stamp, and Medicaid waivers during the early 1990s.

Providing Comprehensive, Integrated Social Services to Children and Families^{vii}

Over the past several years, social service providers have increasingly recognized that families often face multiple, complex needs and require the services of more than one program. To access needed services, families must often go to multiple locations and comply with a range of rules and regulations and a variety of caseworkers and case plans. Families may face inconsistent or conflicting obligations. Agencies often face actual or perceived limitations on the services they can fund. The fragmentation and complexity of such service delivery makes it difficult, if not impossible, for many families to obtain needed services. Thus, a number of states and localities have begun experimenting with ways to provide a more family-centered, seamless service delivery system that offers a broad continuum of services and tailors these services to the strengths and needs of individual families.

This model focused on five components that are generally present in integration efforts: a single point of entry; comprehensive family assessment; joint case planning; collocation of services; and a sense of partnership. While integrated services could involve a wide range of programs and activities, for purposes of this analysis, the model focused on programs in four basic clusters:

- programs that provide basic income and other economic supports [e.g., TANF, food stamps, and child support];
- programs and funding streams that provide services to meet the other basic needs common to many families [e.g., Medicaid, SCHIP, and CCDF];
- programs that provide more specialized services and supports [e.g., the Substance Abuse Grant; the Mental Health Grant; the Family Violence Grant; CAPTA Grants; the Child Welfare Services Grant; the PSSF Grant and the Foster Care and Adoption Grants]; and
- funding streams that pay for a wide range of services and often serve as “glue money” in patching together comprehensive family services

[e.g., the Community Services Block Grant (CSBG) and Social Services Block Grant (SSBG)].

The author concluded that neither the program purposes, the rules regarding allowable uses of funds, nor the eligibility requirements create legal barriers to cross-program integration. Federal confidentiality provisions may create challenges to sharing information, but these challenges can be overcome by obtaining consent from individuals and families to share the information. While not within the scope of this particular paper, it is recognized that while cost allocation requirements do not prevent cross-program integration, they present significant logistical challenges.

The following reflects the author's specific findings, organized by the four areas of analytical focus: use of funds, eligibility, information-sharing, and waivers.

What funds can be used for what services and supports? A detailed review of programs and funding streams concludes that there are significant opportunities for drawing upon a variety of funding streams to provide comprehensive, integrated services to families. First, most of the programs and funding streams require some coordination with at least one, and often many, of the other programs. Second, a confluence of general purposes and goals across programs and funding streams can facilitate the integration of social services. Therefore, although the use of monies from several of the programs and funding streams is fairly restrictive, others are flexible enough to provide families with a wide range of services when woven together. *From a legal perspective*, there are a number of flexible sources of funding.

However, the fact that a state or locality can legally pay for a service with a particular funding stream may not provide much *practical flexibility*, if the state or locality is already using those funds for other crucial services. Moreover, a strictly legal perspective does not shed light on the administrative complexity that arises around having to track and allocate costs based on eligibility and allowable uses of funds and having to meet the different reporting requirements of the various programs. These aspects become more complex when programs are under the control of different federal or state agencies. Finally, states and localities may be hesitant to utilize funds in innovative ways for fear that an audit will come to a different conclusion about the allowable use of funds.

Who may be served in an integrated social services model? There are essentially three clusters of programs and funding streams: those with detailed, pre-

scriptive eligibility requirements; those that create broad eligibility parameters and permit states to establish more explicit eligibility criteria within those parameters; and those that essentially have no federal eligibility criteria regarding income and household composition. Thus, while eligibility provisions in some programs create restraints on whom states can serve with certain funds such as child welfare (Title IV-E), in other programs, flexibility remains broad (such as SSBG).

What information can be shared across programs and under what circumstances? A number of federal statutes and regulations require states and localities (and other providers) to keep certain information confidential. Some provisions are more extensive than others. There are some general exceptions to the confidentiality requirements. The most straightforward means of legally sharing information is to obtain consent from the individuals involved. Only the federal provisions regarding confidentiality of substance abuse treatment require specific elements of consent. Thus, states and localities can develop a model consent form that allows families to decide which programs may share information.

Can waiver authority facilitate cross-program integration? Waiver authority is available for some programs (e.g., Child Support, food stamps, TANF, Medicaid, SCHIP, the Child Welfare Services Grant, the PSSF Grant and the Foster Care and Adoption Grant) and not others (e.g., CCDF, CSBG, SSBG, the Substance Abuse Grant, the Mental Health Grant, the Family Violence Grant, or the CAPTA grants). While the specifics of what can be waived vary, two requirements common to all waiver authority are: (1) a requirement that a waiver further the purposes of that program and (2) a requirement (sometimes explicit, sometimes implicit) of cost-neutrality.

States might want to pursue waivers to expand the population of families served or services that can be supported through particular programs or funding streams. For example, child welfare waiver authority could, at least in theory, expand both the population served and the services available. Foster Care and Adoption Grants might be used to increase the availability of subsidized guardianships for relatives who are caring for children who would otherwise need foster care. Waiver authority might also be utilized to provide services, for example substance abuse treatment, to families, instead of or in addition to providing foster care. Waiver authority could also be used to serve a broader population, for example, by providing foster care maintenance payments for children who do not meet the income eligibility criteria. However, absent Congressional authorization, demonstration projects must be cost neutral. Thus, even though child welfare waivers could theoretically allow

states to provide additional children and families with more services, the expectation of cost neutrality means waiver authority is unlikely to further this objective.

Cross-Paper Observations

Ultimately, each paper came to different conclusions about the extent to which current federal law poses a significant barrier to adopting the model. While some of the differences may flow from different authors taking somewhat different approaches, the overall picture that emerges underscores that the opportunities and challenges differ across a range of areas of state and local interest.

We can broadly summarize the papers' conclusions as follows:

- In the area of TANF-WIA integration, the authors conclude there are significant steps that states can take under current law, but states face barriers to full integration, largely flowing from legislative decisions made by Congress in the TANF or WIA legislation or both.
- In the area of public benefits simplification and integration, the authors conclude that while there are some limits, current law enables states to develop a single application form and harmonize reporting, verification, and recertification requirements.
- In the area of comprehensive family services, the author concludes that the greatest barriers are not legal, but rather relate to non-legal issues that arise in efforts to bring multiple programs, funding streams, entities, and organizations together in a coordinated or integrated effort.

Drawing the conclusions from the papers together suggests some more general observations applicable to efforts to help state and local integration efforts:

- In some instances, the principal barriers to service integration are not legal. Thus, while addressing legal barriers should be one component of an effort to assist states, it is also important to address issues of management, resources, leadership, vision, and sharing of experiences. However, perceptions of legal barriers can create stumbling blocks, and addressing those perceptions can make it easier for state and local initiatives to concentrate efforts on other issues.
- Often, states are not fully exercising available options and choices under federal law. This may be due to policy or resource considerations or because options are relatively new, but it also occurs because options are sometimes not straightforward, and it may take a considerable amount of technical expertise just to understand them. Moreover, federal agencies often do not offer technical assistance in areas cutting across multiple programs, agencies, or departments.

- There are also clearly some areas for which differing and inconsistent federal requirements make it far more difficult to progress in integration efforts. Sometimes, differences arise because agencies write regulations without placing a priority on efforts to foster consistency across programs. Often, differences arise because Congress enacts inconsistent requirements affecting closely related programs. The different requirements may reflect underlying Congressional decisions to take different policy approaches to different programs, including different approaches to balancing competing priorities, or may simply reflect that different Committees or different Congresses were responsible for particular pieces of legislation.

CONSIDERATION OF ANALYSES

The three analyses were discussed at a stakeholders meeting in Washington, D.C., on October 24, 2003. This meeting included a range of perspectives, with participants from state and federal agencies, organizations representing state groups, policy organizations, researchers, and others. During the session, the authors of each of three papers presented their findings and conclusions. Following each presentation, state administrators with experience in and responsibility for the affected programs responded to the findings and conclusions and then, the discussion was opened to the broader group. (Appendix C is a list of meeting participants.)

Model: Integrating TANF and WIA. In response to the presentation of the findings and conclusions related to TANF-WIA integration, the following observations were shared:

- The analysis provides enough evidence to illustrate that there are real challenges to service integration inherent in the legal and regulatory structures of TANF and WIA.
- The analysis is also instructive in terms of current opportunities to promote service integration. However, bureaucracies do not care for ambiguity and typically avoid risk. Therefore, unless there is clear legal authority to pursue a specific integration strategy, it is unlikely that such a strategy will be pursued.
- Some of the barriers identified in the paper need to be emphasized, as they stand in the way of service integration, including:
 - the fact that WIA is required to be “the funder of last resort”;
 - the prescriptive procurement process for education and training under WIA;
 - the emphasis within WIA on high performance that creates disincentives to serving clients with the most barriers; and
 - the top-down and highly prescriptive governance structure under WIA as compared to the open governance structure under TANF.

Other issues that arose during discussion of the model included:

- The funding structures of the programs. In particular, WIA has broad goals with a very limited amount of funding and flexibility, while TANF, which also has broad goals, has comparatively greater funding and flexibility.
- The governance structure of the programs. WIA service delivery areas do not necessarily align with the boundaries governing the delivery of services under TANF.
- State legislators’ lack of awareness of WIA programs and policies in comparison to the awareness of programs and policies funded with TANF. A lack of awareness might equate to a lack of trust.

- The assumption of complexity on the part of TANF administrators regarding WIA, as well as the converse. Such assumptions might have an effect on the willingness of state and local leaders and managers to pursue integration strategies.
- The level of automation in place to support both programs. It was asserted that the ability to address and manage complex program requirements increases as process automation increases.

Model: Benefits Simplification and Integration. In response to the presentation of the findings and conclusions, the following thoughts were shared:

- The analysis helps to clarify the options currently available to states to make it easier for families to access and retain benefits under the programs included in it. Choices can be made by states and, if these choices are more prescriptive than those required by the federal government, then it rests with the states to make the changes necessary to eliminate the barriers to simplification.
- Some of the barriers that stand in the way of realizing the potential identified in the paper include a lack of program expertise among staff and cost neutrality requirements.
- In pursuing changes in this area, policymakers and administrators must recognize that any changes may impact everyone who is a benefit recipient in a program. For example, many changes identified in the paper are made with families and/or children in mind, but the programs also serve populations such as the elderly and disabled. The effects of changes on these populations cannot be overlooked.
- Some of the policy choices available to states have other implications that might not be obvious. For example, if a state eliminates face-to-face interviews, the opportunity for identifying issues that may not otherwise surface, such as domestic violence, will be lost.
- Many of the options discussed in the analysis are not widely understood. Participants observed that the federal agencies responsible for the relevant programs have not provided enough information to states about the available options and, in addition, may lack the cross-program knowledge necessarily to help states take advantage of them.

Model: Providing Comprehensive Integrated Social Services. In considering the findings and conclusions in the paper, the following observations were shared:

- Although the paper makes it clear that there is no reason inherent in federal statutes or regulations to not integrate programs, there are clearly a lot of complexities in trying to do crosswalks between programs to determine relative flexibility within programs and across programs.
- Given the complexities, some questioned the feasibility of taking serv-

ice integration in this area to scale.

- Because there is a range of flexibility in the programs included in the analysis, it is important to have “glue” money to help patch services together when eligibility requirements or service definitions are not consistent. Two such sources of “glue” money have been the SSSB and TANF, without which it would not be possible to blend service provisions across funding streams.
- Because service integration in this area relies on the blending of various sources of funding to provide services to families, the issue of cost allocation is very relevant. Where integration may be possible, the process of accounting for the various funding streams can be a detriment to pursuing an integration agenda.
- Similarly, federal rules around developing information systems and advance planning documents (APD) often impede efforts to develop cross-program information systems.

A wide range of options for promoting services integration were suggested throughout the meeting, some of which went beyond those necessary to address the specific concerns identified in relation to the three specific models. Many of the suggestions made and the observations shared informed the analysis included in the subsequent sections of this paper.

IMPLICATIONS AND OPTIONS

The federal government could pursue a variety of options to help state and local service integration efforts. Some options would necessitate changes in federal law, but others could be implemented by federal agencies within their existing authority. This section summarizes these options and briefly discusses considerations relevant to each. The options addressed include:

- sharing information,
- providing technical assistance,
- improving agency regulatory coordination,
- establishing an executive interagency service integration coordinating board,
- routinely analyzing impediments to service integration,
- coordinating reauthorization processes,
- modifying the committee oversight structure,
- harmonizing statutory and regulatory definitions,
- coordinating reauthorization processes,
- modifying the committee oversight structure,
- harmonizing statutory and regulatory definitions, and
- establishing broad waiver authority.

Sharing Information

A consistent theme in the papers and discussions was that states and localities are often unaware of existing options, that the process of identifying options can call for technical expertise, and that the federal government could do more to help states and localities better understand their options under current law. Too often, however, both central and regional offices lack cross-program expertise, and the process for clarifying whether a particular approach is permissible in two or more programs can be lengthy and difficult.

States and localities would benefit if the federal government were to take on a much more active role in generating and sharing information about existing opportunities for cross-program integration efforts. States could be assisted in understanding both the extent to which legal barriers can be addressed and effective approaches to the array of non-legal issues that arise in such efforts. Such a federal initiative would require developing technical expertise within and across agencies about relevant legal requirements; active engagement in learning about the legal and non-legal issues that arise in state efforts; developing improved and expedited ways of answering cross-agency inquiries; and implementing a strategy to disseminate information to states and localities.

A federal effort of this type should not seek to impose particular models or approaches on states, but to help states understand the lessons

learned from existing initiatives and to be responsive to the questions arising from states and localities. Such responsiveness might flow from surveys or active inquiries by regional offices, through periodic meetings with state and local groups, and perhaps by establishing an ongoing advisory committee on service integration comprised of representatives from states and localities and other individuals with relevant expertise.

While service integration issues could, in theory involve any federal departments, those most likely to be involved are the Departments of Health and Human Services, Labor, Agriculture, and Housing and Urban Development. In order to facilitate cross-agency inquiries, each department could designate specialized staff with responsibilities for service integration initiatives, and each could designate a specific “ombuds-person” with responsibilities for generating prompt responses to inquiries from other agencies relating to service integration questions.

Providing Technical Assistance

A step beyond information sharing is the provision of active technical assistance, which also guides stakeholders, including local, state, and federal officials, through the steps that would be necessary to take advantage of the existing opportunities. An example of this is the efforts of CBPP and CLASP to disseminate the information regarding opportunities to streamline eligibility determination and other processes. The organizations then work with states to implement the changes.

At the October forum, participants discussed the pros and cons of the federal government providing this technical assistance. While non-governmental groups can play a valuable role, many agreed that this is also an appropriate role for the federal government. Again, it is important to underscore that the federal government should not prescribe specific models or intrude into areas of state discretion. At the same time, there are clearly occasions when states and localities would welcome such technical assistance. For example, cross-agency teams could help resolve uncertainties about whether an approach acceptable to one agency would also be acceptable to others.

Improving Agency Regulatory Coordination

Differences across programs sometimes result from inconsistent regulatory requirements not required by statute. There may be a strong policy justification for the inconsistency, but it may simply result from lack of coordination.

While it would not be practical to review and revise all current regulations of affected agencies, it would be possible to review regulations in specifically defined areas. This initiative reviewed federal regulations relating to TANF-WIA coordination, comprehensive family services, and

public benefits application, eligibility, and redetermination. A federal effort might involve these same areas or others recommended by states and localities. The regulatory review would seek to identify inconsistencies in definitions, data reporting, administrative, and substantive requirements, and to address those inconsistencies that were not required by statute or justified as a matter of policy.

For new regulations, agencies could implement procedures to reduce unnecessary conflicts. For example, part of the process of promulgating any new TANF or WIA regulation might involve expressly considering how the regulation impacts TANF-WIA coordination. Or, the agencies responsible for the key public benefits programs could develop a protocol in which during the development of a proposed regulation affecting any of the programs, there is express consideration of how, if at all, the proposed regulation would affect coordination with other public benefits programs. This approach could be implemented by any agency now without any formal change in policies. Or, the process could be more formalized, through the use of designated agency employees, ombudspersons, or a reviewing and commenting role by an advisory committee.

Establishing an Executive Interagency Service Integration Coordinating Board

Another option would be to establish a vehicle through which the relevant executive branch agencies would promote and facilitate the concept of service integration through the proactive development of opportunities as well as the coordinated review of state and local plans. Such a concept has been tried in the past. For example, the Reagan administration established the Low Income Opportunity Advisory Board, composed of representatives from various cabinet departments, to streamline the waiver review process.^{viii}

At the October forum, some participants noted that this strategy would not require legislation and could be pursued today if the executive branch opted to do so. Others expressed concern, though, that unless new authority were codified, such a board would lack the power to make needed changes. Meeting participants did not reach consensus on whether such a board was needed or desirable.

Routinely Analyzing Impediments to Service Integration

A recurrent concern in discussions of service integration has been that Congress sometimes enacts legislation without fully considering how it relates to existing programs. As a result, new or amended laws may add to the complexity faced by state and local officials attempting to make programs work together in a single system. Ultimately, Congress is, of course, free to enact such legislation, and may have policy reasons for

wishing to do so. At the same time, the legislative process could be improved if before enacting a bill, Congress had a clearer picture of a bill's potential interactions with closely related programs.

One possible way of improving Congressional awareness could be through an expanded role for the Congressional Research Service (CRS). CRS could, by law or practice, be asked to analyze the implication of any legislation in specified areas in relation to cross-system integration efforts. This could help address issues related to seemingly unintended limitations to service integration created in separate program legislation.

One possible limitation of this strategy, however, is that there are program silos within CRS itself, as staff members have specific programs within their scope of responsibility. Thus, CRS would need to develop mechanisms to ensure staff coordination in order to identify potential conflicts within any specific piece of legislation.

Coordinating Reauthorization Processes

One suggestion to encourage coordination of closely related programs is for Congress to schedule the reauthorization processes for programs with similar purposes or programs that address the needs of similar populations to coincide with each other. An example of this would be the reauthorization of TANF and WIA, which were initially scheduled to occur one year apart but are both still pending in Congress.

Whether this is a practical suggestion is an open question. The congressional calendar is subject to the vagaries of any particular session (as illustrated by the delays in the reauthorization of both TANF and WIA). In addition, the fact that different committees have jurisdiction over disparate pieces of legislation may make it difficult to coordinate the reauthorization of any given set of bills, let alone a series of related bills. Moreover, at least when bills are under the jurisdiction of different committees, seeking to reauthorize them simultaneously might actually make coordination more difficult, because each committee must act without knowing what decisions will ultimately be made affecting the program under the jurisdiction of the other committee.

Modifying the Committee Oversight Structure

A recurrent theme in service integration discussions is that many of the inconsistencies across programs flow from the fact that multiple committees of Congress have jurisdiction over the affected programs. For example, efforts to coordinate benefits may be impaired because some of the benefit programs are under the jurisdiction of the Senate Finance Committee (TANF, Medicaid, mandatory child care) while others are under the jurisdiction of the Health Education Labor and Pensions Committee (discretionary child care) or the Agriculture Committee

(food stamps).

In theory, an option would be to modify this structure to consolidate programs with similar purposes or programs that address the needs of similar populations within a single Congressional committee. However, this suggestion, which has been made on several occasions throughout the years, appears to be less than tenable.

A more limited, but likely more feasible, approach might be to develop a listing of the key programs for which issues of coordination and integration arise most frequently. (Such a listing might be developed by the General Accounting Office, CRS, or an advisory committee on service integration, with a process established for periodic review and updating of the list.) Once the list was established, Congressional Committees could voluntarily (and without in any way ceding their jurisdiction) inform Committees responsible for closely-related programs of pending legislation, providing an opportunity for review and comment before a bill was reported out of Committee. Such an approach is necessarily limited, but would have the virtue of reducing the number of situations in which one committee enacts legislation with no awareness of how the new legislation might impact closely related programs.

Simplifying Cost Allocation Requirements

The issue of cost allocation cut across all three analyses and regularly recurs in service integration discussions. All of the programs are subject to general cost allocation requirements under federal law, with additional limitations placed on funding streams within their particular authorizing legislation. While the intent of these cost allocation requirements is appropriate, they have served to make it difficult to integrate programs for which no other statutory prohibition exists.

Modifying cost allocation requirements would necessitate the involvement of the Office of Management and Budget and fiscal staff in a variety of executive agencies. In some instances, it would also necessitate changing specific requirements in the authorizing legislation of particular programs.

Harmonizing Statutory and Regulatory Definitions

One aspect of current law that causes confusion and frustration for administrators is that definitions of similar terms often vary across programs without clear policy justification for the variance. For example, multiple programs have different definitions of “administrative costs.” The recently enacted Farm Act suggests one possible approach to multiple inconsistent definitions: allow Food Stamp administrators to elect to apply income and asset definitions from TANF or Medicaid for Food Stamp purposes. A similar approach could be applied more broadly. For

example, Congress could enact legislation allowing states to apply the income or asset definitions used in one program for a broad range of programs. Presumably, the principal concern here might be that states would use such flexibility to broaden eligibility for programs in which the federal government paid all or most of the costs. However, the vast majority of potentially affected programs are ones in which total spending is capped (so that broadening eligibility doesn't affect the number of beneficiaries or total costs) or ones in which states must match federal expenditures, so states have a strong incentive to not liberalize eligibility unless such a liberalization is clearly justified.

In addition to creating such cross-program options, Congress might draw from model rules and definitions developed by an Executive Branch cross-agency initiative. For example, such an initiative might seek to address issues related to confidentiality and release of information or to develop a model definition for "administrative costs."^{ix} With such model definitions, Congress would still be free to depart from the model definitions when it chose to do so, but based on a conscious decision that the policy rationale for departing from the model outweighed the virtues of following the model.

Establishing Broad Waiver Authority

During the October session, participants discussed whether taking an incremental approach to addressing the identified barriers to service integration was advisable. Some asserted that one consistent theme in the three papers was that of complexity and that, while flexibility in individual programs or increased harmony across programs would address some of this complexity, a complementary strategy would be to also allow states to pursue superwaivers across programs. This suggestion brought the discussion full circle back to the proposal embodied in the Administration's proposal for TANF reauthorization. Some participants suggested that the number of superwaivers granted be limited in number and then evaluated to determine their effectiveness in improving service integration and, presumably, outcomes for children and families. Others continued to strongly oppose any superwaiver proposal out of concerns that even limited superwaivers could undercut key protections for families and that a limited demonstration project would not effectively test the long-run consequences of a superwaiver provision open to all states.

Stakeholders continue to disagree about the superwaiver as a recommended strategy for enhancing opportunities for service integration. This was evident at the October session. On the one hand, advocates of the proposal assert that continuing progress in welfare reform demands more front-line innovation and control. According to this view, states not only need to take better advantage of existing flexibility in federal law, they

also require additional flexibility to design and implement initiatives that transform the way business is done. In addition, they assert that inclusion of a superwaiver provision in the reauthorization of TANF would be a strong signal that the bold experimentation that took place following welfare reform should continue. After all, they argue, who could have anticipated the states' myriad responses to welfare reform, each undertaken to better serve the welfare population?

On the other hand, opponents of the superwaiver approach argue that providing the executive branch with broad authority to grant waivers to individual states on an ad hoc basis is a poor response to systemic problems facing all states. Granting broad waiver authority could result in highly politicized negotiations between Governors and Presidents, in which an Administration (of either party) might selectively grant waivers subject to conditions reflecting the ideology of that Administration. Moreover, it would have a long-run negative impact on the legislative process if legislators could simply vote for a bill imposing new requirements on states with an understanding or expectation that their state would be granted a waiver and never be subject to the requirements being considered. Further, opponents contend that waiver authority could be used to impair or undercut key protections for children and families in federal law, or key protections intended to ensure that appropriated funds go to the purposes for which they have been designated.

Unlike the vast majority of the other suggestions and recommendations made in this section, the authors of this paper represent opposite viewpoints in terms of the superwaiver as a strategy to promote service integration at the state and local levels.

RECOMMENDATIONS

The feasibility of pursuing each of the options identified in the previous section varies, as noted in the discussion. However, some of the most feasible could, in our opinion, make a significant difference in supporting state and local service integration efforts. In particular, we support a strong federal technical assistance role as well as a concerted effort to address needless inconsistencies that make service integration efforts more difficult. Therefore, we have developed recommendations for both the federal executive and legislative branches of government. While each author may have additional recommendations, we agree that the following steps would help support state and local service integration efforts.

Executive Branch Strategies

We recommend that the federal government, and specifically agencies within the Executive Branch, such as the Departments of Health and Human Services, Labor, Agriculture, and Housing and Urban Development:

- assume a significantly enhanced role in generating and sharing information about legal and non-legal issues arising in service integration efforts and how those issues are being or might be addressed;
- develop a significantly enhanced capacity to provide technical assistance in response to requests by those engaged in state and local service integration efforts;
- consider the extent to which proposed regulations either enhance or impede efforts to integrate services across and within departments;
- in conjunction with the Office of Management and Budget, examine ways to simplify cost allocation requirements with specific attention to how such requirements may be appropriately satisfied in service integration efforts; and
- review other existing regulations to determine and address requirements that may make service integration unintentionally more difficult.

In implementing these recommendations, we recommend that:

- The noted departments should designate specialized staff with responsibilities for service integration initiatives, who could function as ombudspersons responsible for responding to inquiries from federal and state agencies concerning service integration questions.
- The departments work together to address options to help state and local service integration efforts by establishing an ongoing federal “Interagency Project on Service Integration” that would be responsible for:
 - Ensuring proposed regulations relating to low-income assistance programs developed by the noted departments are accompanied

- by a statement of impact on closely related programs.
- Reviewing, prior to publication, proposed regulations to determine the extent to which they impede or promote service integration and reporting these findings to the relevant departments.
- Developing a set of “model” definitions for commonly used terms (such as “administrative costs”) in closely related programs. Agencies, in promulgating regulations, should seek to use the model definitions unless there is a clear legal or policy reason for using another definition.
- Working with the Office of Management and Budget to review, modify, and streamline cost allocation requirements.
- Guidance and input should be provided to the Interagency Project on Service Integration by an “Advisory Committee on Service Integration.” The Advisory Committee should:
 - have representation from state and local governments, researchers, and policy organizations;
 - advise federal agencies of key questions on which a stronger federal information-generating and sharing role would assist state and local efforts;
 - participate in the review of proposed regulations to determine the extent to which they impede or promote service integration by submitting comments to the Interagency Project on Service Integration; and
 - develop recommendations regarding current regulations for instances in which resolution of regulatory inconsistencies could enhance service integration, including cost allocation requirements.

Legislative Branch Strategies

We also recommend that Congress and its service agencies assume greater responsibility for considering the extent to which proposed legislation either enhances or impedes efforts to integrate services across and within departments and related programs.

In particular, Congressional Committees should, in developing legislation in areas relating to low-income assistance:

- Seek the assistance of the Congressional Research Service (CRS) so that prior to enacting new legislation, Committees receive a report from CRS identifying possible implications that the new legislation might have on closely related programs.
- Provide an opportunity for review and comment of legislation on the part of other relevant standing committees before the bill is reported out of Committee.
- Consider the relevance of “model” definitions developed by the

Interagency Project on Service Integration in developing legislation and use the model definitions unless there is a clear policy reason for using another definition.

- Based on recommendations from the Interagency Project on Service Integration, consider legislation that would provide states with state options to harmonize definitions of key terms, reporting requirements, and cost allocation requirements across closely related programs.

Final Thoughts

There are many challenges to service integration beyond legal barriers. At the same time, there are clearly instances in which legal complexity impedes service integration efforts. Over the last several years, the discussion of the federal role in promoting service integration has too often been reduced to arguments about the pros and cons of the superwaiver. There likely will be continued disputes about the superwaiver, and the authors of this paper still disagree about its advisability. At the same time, it seems clear that regardless of how the superwaiver controversy is resolved, there is far more that could be done at the federal level to promote integration.

Even without legislation, federal agencies can generate and share information, provide technical assistance, and develop means of reducing needless conflicts among regulations and other requirements faced by states and localities. And, Congress could do more to address the underlying structural reasons why the enactment of federal legislation often results in new complexities for state and localities. However the superwaiver debate is resolved, both governments and families would benefit if the federal government did more to support state and local integration efforts.

APPENDIX A

The program models were originally developed by Susan Golonka and Courtney Smith of the National Governors Association (NGA) Center for Best Practices and Jennifer Noyes of the Hudson Institute, with input from Mark Greenberg and Rutledge Hutson at the Center for Law and Social Policy and Sharon Parrott and Stacy Dean at the Center on Budget and Policy Priorities.

The following individuals were provided drafts of the models as completed by the core project team, as well as questions designed to solicit feedback regarding the draft models. Feedback was provided to the core team through a series of conference calls as well as various forms of written communication. The titles and positions noted were those held at the time feedback was solicited.

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David Heins, Deputy Commissioner, New Jersey Department of Human Services

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Greg Kirkpatrick, Program Director, Arkansas Transitional Employment Board

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John Monahan, Senior Fellow, Annie E. Casey Foundation

Joel Raab, Bureau Chief, Office of Family Stability, Ohio Department of Job and Family Services

Steve Savner, Senior Staff Attorney, Center for Law and Social Policy

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APPENDIX B

WIA-TANF Integration Model

Goal

To implement a system designed to assist people in finding and maintaining jobs as well as advancing in the job market that first considers and then addresses the specific needs of each individual, drawing on the resources of the Temporary Assistance for Needy Families (TANF) block grant (created by the 1996 Personal Responsibility and Work Opportunity Reconciliation Act) and the Workforce Investment Act of 1988 (WIA) as well as any state funds that might be available. Specifically:

- to develop and implement a functional structure for the provision of services to emerging, incumbent, and dislocated workers, and
- to allow state and local jurisdictions flexibility to place more or less emphasis on the delivery of particular services, depending on state or locally determined priorities.

The overall goal of the model is to improve the service delivery system in order to enhance the possibility for improved outcomes for participants.

Key Components Related to the Model

The key components of this model are:

Who will be served? Services will be provided to the individuals (and their families) as well as organizational customers. Those currently eligible for services will continue to be eligible.

How will services be organized? Services will be organized functionally, based on “purposes” rather than population served or program designation. However, services can be tailored to specific populations.

One set of functions would be geared toward the “employee” and would include:

- Employment services—This category includes training and skills development activities that are needed to support emerging worker (for example, “first job” activities for youth or for those who have extremely limited experience in the labor market); incumbent worker (for example, activities designed to support job retention and advancement for underemployed adult workers or those who are progressing from the “emerging” worker activities); and dislocated worker

(for example, activities designed to support re-employment of adult workers). Included are the core, intensive, and training services currently offered under WIA.

- **Work supports**—This category covers what else do employees need to succeed in the workplace? Childcare, transportation, medical services, addiction services, social and emotional assistance, legal assistance, rehabilitation services, etc., would be included.
- **Income supports**—This category would include currently available temporary assistance—TANF cash and Unemployment Insurance benefits—designed to support a period of unemployment or limited earned income.

One set of functions would be geared toward the “employer” and would include:

- **Corporate services**—This category would include human resources support, employee retention and development, economic expansion, economic transition, tax incentives for public purposes. (Note: This part of the model’s vision does not require integration of WIA and TANF. Therefore, it will be excluded from the legal analysis to be completed.)

One set of functions would cross “employees” and “employers” and include:

- **Labor market exchange**—Basically, activities designed to hook up employees with employers.

What is the range of programs we are talking about “accessing” and then consolidating in order to provide for functional service delivery? This includes programs housed within the Department of Labor (including Adult Worker Program, Dislocated Worker Program, Wagner-Peyser Employment Service, and Youth Program), as well as TANF. Other programs could include any state- or locally funded programs that currently have similar purposes.

Where will services be provided? Flexibility will be given to states and localities to provide services where they deem it is appropriate.

Where will the funding come for the provision of these functional activities? Funding within the six functional areas would come from (a) consolidated funding of the employment and training programs housed within the Department of Labor that are listed above and (b) the TANF block grant. If available, any state or local funding may be combined with federal funds.

How will the funds be budgeted? Flexibility will be given to states and localities to budget for services based on state and/or locally determined priorities.

How will eligibility be determined? Rather than focus on determining eligibility program by program, the needs of the individual worker and his/her family will be assessed and then a service delivery plan determined.

Who will determine eligibility? An applicant will need only interact with one worker to determine eligibility for the available services.

Will there be a service plan? For each individual or corporate customer served, a functional activity plan would be developed, with key benchmarks for individual progress based on the overall outcome measures established for the state or locally determined service area.

How will performance be measured? An integrated performance measurement system would be implemented that will take into account three dimensions of a functional delivery system: (a) utilization, (b) engagement, and (c) progress.

- Utilization – Assessment of the extent to which the population—job seekers as well as employers—are accessing available services.
- Engagement – Assessment of rates of participation in certain activities. For individual participants, this would include activities designed to lead to paid employment, including, for example, training and rehabilitation services.
- Outcomes – Assessment of employment rates, earnings gains, job retention rates, and credential rates, among others.

The system—which will replace existing systems—will take into account progress toward a goal, rather than absolute attainment of the goal and will allow for continuous improvement through the development of targeted performance improvement plans when weaknesses are identified.

Benefits Simplification Model

Goal

To simplify the process for accessing, receiving, maintaining, and administering benefits across programs.

Programs Included in Model

- Child Care
- Food Stamps
- Medicaid
- State Children's Health Insurance Program
- Temporary Assistance to Needy Families Cash Assistance Program

Components of the Model

Simplified Application and Recertification Process

- Single application (the application could be used to apply for one or multiple programs involved, but would identify all programs for which the individual/family would be eligible)
- Common verification and initial certification process
- Ability to submit application on-line
- Common period of time for processing/approving benefits
- Single caseworker
- Common certification periods
- Common recertification process

Eligibility Issues

- Common definition/treatment of income and assets
- Common definitions of family/household
- Aligning immigrant eligibility rules
- Aligning sanctions for noncompliance

Streamlined Administration and Reporting

- Common reporting requirements (data submitted to feds at same time, in same format)

Benefits/Service Delivery

- Benefits transferred electronically to recipients
- Coordinated case management/employment plan

Comprehensive Services Model

Why is there a need for a more integrated approach?

Many families who access the social services system typically have multiple needs or are involved with more than one program. For example, many parents whose children are in foster care are in need of substance abuse treatment; some families are served by both the TANF and child welfare systems; and families receiving cash assistance may also need access to child care, mental health services, domestic violence services, housing, etc. In many states and localities, families with multiple needs must go to multiple locations, interact with a variety of caseworkers, and comply with several (sometimes conflicting) case plans. The fragmentation and complexity of the service delivery system is counterproductive as families have difficulty accessing and retaining the very services they need.

Goal

The goal is to create a family-centered, seamless service delivery system that will be successful in helping families move toward self-sufficiency while promoting the health and well-being of all family members. In addition to addressing immediate needs of families, services will also focus on prevention and early intervention. Local agencies will have the capacity and flexibility to deliver a coordinated mix of services that reflects the individual family's needs and strengths.

What programs should be included?

- First Tier
- TANF cash assistance, diversion and other services
- Access to benefits—Food Stamps/Medicaid/SCHIP
- Child welfare—Title IVE and IVB, CAPTA
- Mental health
- Substance abuse
- Child support enforcement
- Domestic violence
- Social Services Block Grant
- Community Services Block Grant

Others to Consider

- Juvenile justice
- Vocational rehabilitation
- Child care
- Adult protective services
- Aging and disabled

What is the vision?

Front end/client perspective:

- Single points of entry to multiple services—any need or service request can be an entrée for a whole range of services.
- Initial comprehensive, combined assessment(s) of the needs of the family and all its members.
- Single, coordinated service/case plan and a primary caseworker who works with a multi-disciplinary team of staff from relevant programs.
- Physical co-location of many agencies and providers to facilitate seamless service delivery and joint case planning. Hand-off or active follow-up on all referrals.
- If not physical co-location, then use of innovative technology that facilitates communication among a network of public agencies and local providers that share clients, including joint case planning.
- Timely provision of services to families.

Backroom/operational perspective:

- Automated information systems that is integrated and accessible to multiple state and local agencies and key providers. The system will permit sharing of information about families and individuals being served by multiple programs; tracking of clients and their outcomes; collection of data for federal and other reporting.
- On-going formal training for new and incumbent agency staff, including cross-program training.
- Shared accountability among programs for the success of families. The state/locality sets common performance and outcomes measures for all programs involved.

Assume Current Law Funding Sources

The analysis would consider how far the state can go to implement this vision under the existing funding streams and programs that would be included, considering flexibility both with respect to both administrative dollars as well as service/benefits dollars.

APPENDIX C**Participants in the October 2003 Forum**

(Note: The titles and positions noted were those held at the time feedback was solicited.)

Robin Arnold-Williams
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Mark Greenberg
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South Carolina Department of Social
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Legislatures

Jack Tweedie
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Jeff Viohl
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Margy Waller
The Brookings Institution

Matt Weidinger
U.S. House Subcommittee on Human
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Don Winstead
U.S. Department of Health and
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Endnotes

ⁱ This issue has been discussed in other publications. One organization that has drawn attention to the issue is the Midwest Welfare Peer Assistance Network (WELPAN), a group of high-level welfare officials from Indiana, Illinois, Iowa, Michigan, Minnesota, Ohio, and Wisconsin who convene regularly to discuss common challenges and solutions faced in administering their welfare reform and related programs. The publication *Eliminating the Silos: Or, It's Not Just Welfare Anymore*, a report of the Midwest Welfare Peer Assistance Network, Institute for Research on Poverty, University of Wisconsin-Madison, 2002, addresses the issue in particular.

ⁱⁱ *Working Toward Independence*. Summary of President's Welfare Reform Agenda. February 26, 2002, page 35.

ⁱⁱⁱ Thomas Corbett, Susan Golonka, Courtney Smith, and Jennifer L. Noyes. *Enhancing the Capacity for Cross-Systems Innovation: A Project Overview*. November 6, 2002.

^{iv} These arenas, or "domains," include such items as management, personnel, oversight, information technologies, and accountability/effectiveness. They were discussed on October 24, 2003, during a "Roundtable Session on Enhancing the Capacity for State/Local Cross-Systems Innovation." The discussion was facilitated by Thomas Corbett, Institute for Research on Poverty.

^v This section summarizes the findings in Mark Greenberg, Emil Parker, and Abbey Frank. "Integrating TANF and WIA Into a Single Workforce System: An Analysis of Legal Issues." Center for Law and Social Policy. February 2004, available at: http://www.clasp.org/DMS/Documents/1076610053.59/TANF-WIA_Integration.pdf.

^{vi} This section summarizes the findings in Sharon Parrott, David Super, and Stacy Dean. "Aligning Policies and Procedures in Benefit Programs: An Overview of the Opportunities and Challenges Under Current Federal Laws and Regulations." Center on Budget and Policy Priorities. October 2003. A summary of the paper is posted at <http://www.cbpp.org/1-6-04wel.htm>.

^{vii} This section summarizes Rutledge Q. Hutson. "Providing Comprehensive, Integrated Social Services to Vulnerable Children and Families: Are There Legal Barriers to Moving Forward?" Center for Law and Social Policy. February 2004, available at: http://www.clasp.org/DMS/Documents/1076428367.74/CW_Integration.pdf.

^{viii} The White House. *The Interagency Low Income Opportunity Advisory Board Procedures for Coordination and Review of State Welfare Reform Demonstration Proposals and Waiver Requests*. November 30, 1987.

^{ix} Note that harmonizing definitions of administrative costs might prompt the need for other statutory changes, such as adjusting match rates or reconsidering particular program-specific caps on administrative costs.