

Prepared Oral Testimony of Adam M. Meier before the U.S. House Committee on Education and Workforce Subcommittee on Higher Education and Workforce Development

March 15, 2018

Chairman (Brett) Guthrie, Ranking Member (Susan) Davis, and Honorable Members of the Subcommittee, thank you for the opportunity to testify today.

Introduction

Kentucky was recently the first state approved to add a community engagement requirement to its state Medicaid program for non-exempt adults without primary caregiving responsibilities for a dependent. This community engagement requirement is similar to the work, volunteer and training requirements that exist today in other human service programs. To that end, Kentucky has closely aligned community engagement requirements and the accompanying Employment and Training (E&T) programs to what exists today in programs such as SNAP, TANF, as well as workforce programs such as WIOA—but that effort has not been without its challenges.

While the approval of Kentucky's 1115 Waiver Program is groundbreaking and transformational for the Medicaid program specifically, how Kentucky is choosing to operationalize the waiver as part of a comprehensive entitlement and workforce reform effort could help inform the members of this committee, as well as Congress in general, about future efforts to undertake similar reforms at the federal level.

I would like to offer the members of this committee a high level overview of some of the challenges we have encountered during our planning for our section 1115 Medicaid waiver, as well as offer some suggestions that could increase consistency across programs, offer flexibility to states, maximize the effectiveness of taxpayer dollars supporting these programs, and most importantly, streamline compliance requirements and improve outcomes for the individuals we serve.

Cross-Program Alignment of Policies

While there are certainly differences in the objectives and focus of the various programs that we are discussing today, the goals of the employment and training programs under the jurisdiction of this committee, for all intents and purposes, are the same—to provide program beneficiaries with the support and tools they need to be on a path to employment and self-sufficiency. There is significant overlap in the processes and components that are used by states to administer these programs. But where program and funding stream policies differ, program inefficiencies and confusion ensue.

These programmatic differences are rarely critical to the success of the particular program—they are merely the result of being developed in operational silos without much consideration for program policies developed in other silos.

There are certainly several options available to resolve the issue. For example, one option is for Congress to take the lead in examining the multiple programs that contain an E&T component and decide on common policies (eligibility, exemptions, qualifying activities and components, etc.) across the all benefits programs. Another option is for Congress to set guardrails (floors and ceilings) for all of the programs and allow states to take the lead in deciding how to normalize the policies within the guardrails set by congress.

Maximizing Flexibility to States

Many of the federal programs administered by states are state-federal partnerships. To states, however, they sometimes feel less like partnerships and more like a subservient relationship. States are left to navigate the administrative complexity of multiple programs. Admittedly, it is not easy to strike a balance between ensuring consistency across federal programs, while giving states the flexibility to be most effective. But when it comes to employment and training programs, a one-size-fits-all approach will not be the most successful. States, regions, and local areas all have unique challenges and advantages, and as such are in the best position to exercise judgment on the most effective way to prioritize finite financial and human capital resources.

Such flexibility could be achieved through several approaches. The easiest would be to increase the types and scopes of waivers for federal requirements. However, this solution would be the most cumbersome and the least effective.

A better option would be for the Federal government to set guardrails by program, but give states the flexibility to work within that framework. This would be similar to the block grant approach used with TANF or CHIP

An even more flexible option would be to allow funding for multiple E&T programs, as well as employment support programs such as housing, child care, transportation subsidies, etc., to all be included in one block grant. Again, Congress could set the parameters, floors, and ceilings for how much flexibility is granted, but states or grantees could determine the best way to allocate E&T resources, as well as resources for the supportive services that are critical to the success of individuals benefitting from these programs.

To increase the success of cross-agency alignment and flexibility, it would be key to establish one coordinating office (i.e., OMB, White House, etc. – the “Lead Agency”) to ensure that the various Departments (DOL, DoEd, USDA, HHS, HUD) are all committed to the true integration of services.

Privatization of Services

Another area where greater flexibility is needed is the ability for state and local partners to leverage the private sector workforce. Many efforts have been undertaken to look at and address the complexity and maze of programs that serve lower-income Americans.

Often these efforts look at funding, policy, or performance measures. However, it is important to also look at service delivery options. Today, states have very different levels of authority to use the people, processes, and technology of contractors to deliver services.

For example, states can generally contract out work and training activities in a variety of programs, but the ability to contract out eligibility and related services varies greatly in each, as evidenced in the chart I have provided.

For that reason, I would ask that Congress provide states full flexibility and authority to contract out services for all of these programs. Governors and agencies should have the ability to determine the right mix of state staff and contracted services to effectively and efficiently delivery services and drive performance-based results.

This committee should also make efforts to eliminate or mitigate benefits cliffs, as well as make more strategic use of federal funding for information technology systems. I have provided additional information in written testimony on each of these topics.

Conclusion

In conclusion, I would like to thank Chairman Guthrie, Ranking Member Davis, and Honorable Members of the Subcommittee, for the opportunity to testify today. Please know that the Commonwealth of Kentucky stands at the ready to be a resource to the members of this body on these critical issues.