Report dated October 22, 2007:

Task Force to Study Incentives for Teen Parents to Stay in School

Prepared for:
The Governor, the Senate Budget and Taxation Committee, the Senate Finance committee, the House Committee on Appropriations, and the Joint Committee on Welfare Reform

As required by:
The Joint Chairmen’s Report, pages 142-143
2007 Session

Pursuant to 2007 JCR Page 142-143
October 22, 2007

The Honorable Nathaniel Exum  
Co-Chairman, Joint Committee on Welfare Reform  
James Senate Office Building, Room 303  
110 College Avenue  
Annapolis, MD 21401 – 1991

The Honorable Talmadge Branch  
Co-Chairman, Joint Committee on Welfare Reform  
House Office Building, Room 121  
12 Bladen Street  
Annapolis, MD 21401 – 1991

Dear Chairman Exum and Chairman Branch:

During this year’s legislative session, Delegates Rosenberg, Barve and James introduced House Bill 570, an Act concerning a Task Force to Study Incentives for Teen Parents to Stay in School. The bill was withdrawn after the first reading; however, narrative was added to the Joint Chairmen’s Report on the Department of Human Resources (DHR) Operating Budget requesting that DHR establish the Task Force and report on its findings and recommendations by November 1, 2007.

The Report requires the Task Force to:

1. consider the feasibility of establishing a program to provide financial incentives for teen parents receiving welfare benefits to stay in school. In doing so, the task force should consider the following items in the design of a program:

   (i) increasing or decreasing welfare benefit payments based on school attendance.
   (ii) the amount of an increase or decrease in welfare benefit payments; and
   (iii) measures for determining increasing or decreasing welfare benefit payments including staying in school, school attendance, high school achievement, grades, and graduation or obtaining a General Education Diploma.

2. as part of a program, consider mandating ancillary services including requiring:
(i) doctor visits for teens and prenatal visits for pregnant teens; and
(ii) child immunizations.

(3) develop short- and long-term outcome measures, including staying in school, school completion and time spent on welfare, in order to effectively evaluate the program;

(4) consider targeting the program toward high-risk populations already in contact with the State social services' systems, including teen parents, pregnant teenagers, foster care youth, and youth in State care; and

(5) in developing a program review programs in other states including "Learnfare" programs established in Ohio and California.

The task force should report its findings and recommendations by November 1, 2007, to the Governor, the Senate Budget and Taxation Committee, the Senate Finance Committee, the House Committee on Appropriations and the Joint Committee on Welfare Reform.

Because of the short timeframe, the Task Force met four times for discussion and once to review the draft report. The meetings took place on:

Thursday, July 19, 2007, from 10 a.m. to 12 noon
Monday, August 6, 2007, from 10 a.m. to 12 noon
Monday, August 27, 2007, from 10 a.m. to 12 noon
Thursday, September 6, 2007, from 10 a.m. to 12 noon
Wednesday, October 3, 2007, from 9 a.m. to 10:30 a.m.

Enclosed is the report prepared by the Task force. If you have questions, please contact Kevin McGuire, Executive Director of DHR's Family Investment Administration, who chaired the Task Force. You may reach Mr. McGuire at 410-767-7338 or kmcguire@dhr.state.md.us.

Sincerely,

Brenda Donald
Secretary

Enclosure
A. Background

During the 2007 Session of the Maryland General Assembly, House Bill 570 was introduced by Delegates Rosenberg, Barve and James. Although the Bill was withdrawn, narrative was added to the Joint Chairman’s Report in the Department of Human Resources (DHR) Operating Budget requesting the Director of DHR’s Family Investment Administration (FIA) to establish a Task Force to Study Incentives for Teen Parents.

The budget narrative required the findings and recommendations of the Task Force to be submitted by November 1, 2007 to Governor Martin O’Malley, the Senate Finance Committee, the House Appropriations Committee and the Joint Committee on Welfare Reform.

Specifically, the Task Force was instructed to consider or do the following:

(1) Consider the feasibility of establishing a program to provide financial incentives for teen parents receiving welfare benefits to stay in school;

(2) Consider including the following items in the design of the program:
   (a) increasing or decreasing welfare benefit payments based on school attendance;
   (b) the amount of the increase or decrease in the welfare benefit payments;
   (c) measures for determining increasing or decreasing welfare benefit payments including staying in school, school attendance, high school achievement, grades and graduation from high school or obtaining a GED;
   (d) mandating ancillary services such as doctor visits for teens and prenatal visits for pregnant teens; and requiring child immunizations;

(3) Develop short and long term outcome measures, such as staying in school, school completion, and time spent on welfare, as a means of effectively evaluating the program;

(4) Target the program towards high-risk populations already in contact with the State’s social services’ systems, including teen parents, pregnant teenagers, foster care youth, and youth in State care; and

(5) Review programs in other states that have already developed successful teen parent programs, including “Learnfare” programs established in Ohio and California.
REPORT OF THE TASK FORCE TO STUDY INCENTIVES FOR TEEN PARENTS

The Task Force consisted of representatives from DHR’s Family Investment and Social Services Administrations, Maryland State Department of Education, the Governor’s Office for Children, the Department of Health and Mental Hygiene, legislators, community-based service providers and advocates. The Task Force met five times between July and October 2007.
B. Work of the Task Force

**Review and Evaluation of teen parent programs:** The Task Force reviewed and studied programs of other states, including Wisconsin’s “Learnfare” and Ohio’s LEAP (Learning, Earning, and Parenting program) – programs that were instituted and evaluated in the 1990s, together with programs operating in Maryland.

- **Learnfare:** Findings in an analysis prepared by the State of Wisconsin Legislative Audit Bureau, April 1997 include:
  - The Program was intended to encourage enrollment, regular attendance and high school graduation or the completion of a high school equivalency program among 13 to 19 year olds.
  - Non participation resulted in a partial sanction to the cash assistance grant. No cash incentives were offered, although participating families were offered help in identifying and correcting causes of attendance problems and services such as day care, transportation and referral to alternative education programs.
  - Learnfare teens had no better school enrollment or attendance than teens who were not part of Learnfare. While the program increased school enrollment by teen parents in the short-term, the impact faded quickly. No determination could be made whether financial sanctions had any impact on school attendance by teen parents.

- **LEAP:** Designed to promote school attendance in pregnant and parenting teens (under 20) on welfare, to improve academic outcomes to eventually produce improved employment outcomes and consequent reductions in welfare dependence.
  - There were financial incentives for teens to enroll in school or a GED program together with a financial incentive for every month the teen stayed in school. Teens who failed to verify school enrollment were sanctioned for a portion of their cash grant. LEAP provided a case manager for each participant, and if approved by the case manager, the program also provided child care and transportation assistance.
  - Manpower Demonstration Research Corporation (MDRC) and ChildTrends “Guide to Effective Programs for Children and Youth finding for the LEAP program include:
    - Significantly increased school enrollment and attendance – directly linked to incentives.
Impact on school completion and employment were more positive for teens who were in school when the program identified them than for those who had dropped out.

Better coordination between the welfare departments and education system.

The sanctions imposed on teens led to less spending on the family’s essentials such as clothing, food and medicine, which appears to have affected the children as much as the parent.

**Maryland Department of Human Resources, DHR Social Services Administration Mother-Baby Program:** DHR and the Social Service Administration at DHR have a special Mother-Baby Program. Located on Biddle Street in Baltimore, the program provides services to teen mothers who are in Foster Care to try to keep their babies in the same Foster Care home as their mothers so as to enhance child development and parenting skills. Participants are encouraged to take advantage of the educational benefits and services that are offered to increase self-sufficiency.

**Maryland’s Primary Prevention Initiative (PPI):** Begun in the early 1990s as an outgrowth of discussions to provide incentives for positive behaviors, the policies adopted were under a federal waiver (required at the time) and required cost neutrality – resulting in a combination of incentives and penalties. Under today’s federal rules, states no longer have to implement cost-neutral programs.

- There is an annual $20 bonus for health check-ups for young children and adults in the household.
- There is a $25 per month sanction for not having young children immunized or for older children not attending school at least 80% of the time.

**C. Overview of the Population in Maryland**

In July, 2007 there were 740 Temporary Cash Assistance cases with teen parents (under 18) in Maryland – primarily in Baltimore City and Prince George’s County.

- There were 618 cases of a teen parent – an 18 or 19 year old – who lives as head of household.
- There were 109 cases where the teen parent is under 18, has a child or children and lives with a parent.
- In the remaining 13 cases the teen parent is under 18, has a child or children and lives with a non-parent relative or guardian.
D. Recommendations and Collaborative Conclusions of the Task Force

• **General Conclusions:**
  
  • The keys to success for any program must incorporate an individualized approach, strong case management and incentives – all considered “best practices” from readings of the literature.
  
  • A program designed for teen parents must also include a range of supportive services that enable teens to complete their education and move toward self-sufficiency. Options could include: child care while in school, life skills, parenting, financial literacy, home visits, transportation, etc. There should also be special services for drop-outs, such as appropriate work programs and counseling.
  
  • Consideration should be given to starting a teen parent program within a specific geographic area. The program could be started based on given zip codes or could be school-based, e.g.: the school or schools with the largest number of teen parents. Another possibility is establishing a program for teen parents already in the State’s Social Service system.
  
  • The Task Force considered many components for a successful program.

    o A dedicated case manager with expertise in the issues of teen parents should be an important component of program design.
    o Front-end assessment of barriers, such as mental health, motivation, skills and learning differences, should also be a component of the program.
    o Teens should be provided opportunities and services that empower them by building their self-esteem and offering them positive options as a means to channel their energies and talents. It is vital that teens understand that they are valued.
    o Leadership opportunities should be made available to new parents to encourage their participation in the future of their children and their communities.
    o Linking career goals, exploration and information to education to give teens a reason to stay in school is important.
    o Mentoring should be a critical component of a program. It was suggested that “peer mentoring” by former teen mothers including those who are participating in the TCA Work Experience Program could be especially effective. Peer Mentors could help teen parents avoid the pitfalls that they overcame as teen parents. A small institutional unit within FIA, the local department of social services or a designated mentoring organization could oversee the TCA Mentors.
Mentoring by role models, such as teachers, social workers and working family members is also important.
The program should take into consideration the cultural differences and possible language barriers of Hispanic teen parents and make sure that the services and mentoring we offer appropriately address the distinctive circumstances of teens in that and other cultural groups.
The program should be linked with programs offered to non-custodial parents, such as Young Fathers, Responsible Fathers and the Non-Custodial Parent Employment Program to help young fathers understand and meet their family responsibilities.

Any program must reflect concerted cooperation, coordination and communication among various agencies. Especially important will be the nexus between DHR, schools, health departments, juvenile services and the Governor’s Office for Children to develop the services and incentives to keep teen parents in school and help them move toward self-sufficiency.

Evaluation – including accountability - must be included in the program design. Labor intensive measures must be avoided in favor of a standard of reasonable behavior, with a focus on positive outcomes for the teen parents. Goals, plans and assessments of progress should be developed with each participant.

The Task Force suggests mapping the incidence/location of teen parents and developing a resource guide of programs and services available to teen parents.

**Recommendations by the Task Force**

Financial incentives, rather than sanctions, should be the operative inducement and should be provided on a flexible basis. Positive outcomes, such as school attendance, progressing in school, pre-natal care and well-child visits, etc. should be required and monitored. Teen parents must be required to ensure that any of their children eligible to attend school attend regularly and progressively.

The Task Force recommends that we expand the Primary Prevention Initiative (PPI) as an incentive for all TCA children, with the incentives more in line with an inflation index and added incentives for staying in school, and that we strengthen the PPI case management component. The Family Investment Administration will research the cost of expanding the PPI program to include incentive payments for successfully passing from grade to grade and for graduating from high school. Depending upon the availability of funding, the incentive program could begin with high school, middle school or elementary school. Lowering the drop-out rate
and keeping children in school can also help lower the teen pregnancy rate.

- Consideration should be given to establishing an incentive for prenatal health care for teen mothers as well.
- The Task Force recommends beginning an Individual Development Account (IDA)–type savings program for teen parent high school students on TCA to save for tuition for college or technical education, with TANF contributions for scholastic achievement (such as good grades, advancing from grade to grade and graduation). FIA should work with banks and community organizations to find a match for TANF funding and contributions from the student. This program could start as a pilot program and, if successful, expand to the rest of the state.
- FIA will research the funding for adding PPI incentive payments and an IDA-type program for teen parents as well as any regulatory or TANF State Plan changes that might be necessary to implement the services or incentive programs recommended in this report.
E. The Task Force Members

(1) The Honorable Samuel J. Rosenberg, House of Delegates

(2) The Executive Director of the Department of Human Resources’ Family Investment Program, Kevin M. McGuire

(3) A representative from the Governor’s Office for Children, designated by the Interim Executive Director, Mary Beth Stapleton

(4) A representative from the Department of Human Resources’ Social Services Administration, designated by the Secretary, Deborah Joyce

(5) A representative from the Maryland State Department of Education, designated by the State Superintendent, Alicia Mezu

(6) A representative from the Department of Health and Mental Hygiene, with knowledge of Medicaid, designated by the Secretary, Audrey Regan

(7) A representative from the Department of Juvenile Services, designated by the Secretary, Kim Bones

(8) Three representatives from Welfare Advocates and other groups that advocate for children, youth, and families, Lynda Meade, Welfare Advocates; Charleen Thomas-Christon, Catholic Charities; and Dr. Rosetta Stith, Director, Laurence G. Paquin School

(9) Two Family Investment Program recipients, Takiea Hinton, Donick Duffy and alternate Billie M. Carter.

In addition, the following people were invited or appointed by the Executive Director of FIA as the non-designated members of the Task Force:

Margaret E. Williams, Executive Director, Friends of the Family
Linda R. Ramsey, Deputy Director, Friends of the Family
Louis Curry, III, Director, Office of Operations, Family Investment Administration
Rosemary Malone, Acting Director, Office of Programs, Family Investment Administration, Friends of the Family
Richard Larson, Deputy Executive Director, Social Services Administration
Phyllis Atzinger, Office Manager, Wage Connection, Harford County Department of Social Services
Yolanda Dockery, Executive Assistant to the Executive Director, FIA
Marilyn Lorenzo, Temporary Cash Assistance Program Manager, FIA
Janice deCongé, Workforce Coordinator, Office of Operations, FIA
### Proposed Timelines for Carrying Out Recommendations

<table>
<thead>
<tr>
<th>Task</th>
<th>Responsibility</th>
<th>End Date</th>
</tr>
</thead>
</table>
| Research the cost of expanding the Primary Prevention Initiative (PPI) program to include incentive payments for successfully passing from grade to grade and for graduating from high school  
  - Query CARES to determine the number of TCA children by age group  
  - Calculate costs based on varying incentive amounts  
  - Determine availability of TANF funds | Family Investment Administration (FIA)  
  Office of Programs and Office of Operations | January 1, 2008 |
| Determine whether incentive program begins with high school, middle school or elementary school based on cost and availability of TANF funds | FIA Executive Director | January 15, 2008 |
| Make changes to TCA policy to expand PPI program to include incentives as decided by FIA Executive Director | FIA Office of Programs | February 11, 2009 |
| Submit policy changes to the Standing Policy Committee for review and approval | FIA Standing Policy Committee | February 25, 2008 |
| Modify CARES to pay incentives | Office of Programs  
  Office of Technology for Human Services | July 1, 2008 |
| Train local department staff on changes at Quarterly Policy Briefings | FIA Office of Programs | June 2 – 30, 2008 |
| Implement PPI expansion | Local Departments of Social Services | July 1, 2008 |
| Add fields on CARES screens to note grade advancement and graduation rates for teens receiving incentives | Office of Programs  
  Office of Technology for Human Services | July 1, 2008 |
| Design and begin evaluation using CARES to measure outcomes for teens receiving incentives | Office of Programs  
  Office of Technology for Human Services | July 1, 2008 |
| Research cost of establishing an incentive for prenatal health care for teen mothers  
  - Query CARES and local departments to determine the number of pregnant teens  
  - Calculate costs based on varying incentive amounts  
  - Determine TANF funds availability | FIA Office of Programs  
  Office of Programs  
  Office of Operations | February 1, 2008  
  December 31, 2007  
  January 15, 2007  
  February 1, 2008 |
<table>
<thead>
<tr>
<th>Task</th>
<th>Responsibility</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determine whether to implement prenatal health incentive program</td>
<td>FIA Executive Director</td>
<td>February 29, 2008</td>
</tr>
<tr>
<td>based on cost and availability of TANF funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make changes to CARES to more easily identify pregnant or parenting</td>
<td>FIA Office of Programs Office of Technology for Human Services</td>
<td>April 1, 2008</td>
</tr>
<tr>
<td>teens</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make changes to TCA policy to include incentive for prenatal health</td>
<td>FIA Office of Programs</td>
<td>April 12, 2008</td>
</tr>
<tr>
<td>care as decided by FIA Executive Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Submit policy changes to the Standing Policy Committee for review</td>
<td>FIA Standing Policy Committee</td>
<td>April 28, 2008</td>
</tr>
<tr>
<td>and approval</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Modify CARES to pay incentive</td>
<td>Office of Programs Office of Technology for Human Services</td>
<td>July 1, 2008</td>
</tr>
<tr>
<td>Train local department staff on changes at Quarterly Policy</td>
<td>FIA Office of Programs</td>
<td>June 2 – 30, 2008</td>
</tr>
<tr>
<td>Briefings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implement incentive for prenatal health care</td>
<td>Local Departments of Social Services</td>
<td>July 1, 2008</td>
</tr>
<tr>
<td>Add fields on CARES screens to note take-up rate of pregnant</td>
<td>FIA Office of Programs Office of Technology for Human Services</td>
<td>July 1, 2008</td>
</tr>
<tr>
<td>teens receiving incentives for prenatal care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design and begin evaluation using CARES and case manager narrative</td>
<td>FIA Office of Programs Office of Technology for Human Services</td>
<td>July 1, 2008</td>
</tr>
<tr>
<td>to measure outcomes for babies of teens receiving prenatal care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>incentives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research establishing an Individual Development Account (IDA)-type</td>
<td>FIA Office of Programs</td>
<td>April 1, 2008</td>
</tr>
<tr>
<td>savings program for teen parent high school students on TCA to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>save for tuition for college or technical education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research cost of establishing an IDA-like savings program for teen</td>
<td>FIA Office of Programs</td>
<td>July 1, 2008</td>
</tr>
<tr>
<td>parent high school students on TCA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Query CARES and local departments to determine the number of</td>
<td>Office of Programs</td>
<td>May 1, 2008</td>
</tr>
<tr>
<td>teen parents still in high school</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Calculate costs based on varying amounts of bonuses for</td>
<td>Office of Programs</td>
<td>June 1, 2008</td>
</tr>
<tr>
<td>advancement of grade and graduation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Determine availability of TANF funds</td>
<td>Office of Operations</td>
<td>July 1, 2008</td>
</tr>
<tr>
<td>Task</td>
<td>Responsibility</td>
<td>End Date</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>-----------------------------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Research the availability of grants from banks and philanthropic organizations to find a match for TANF funding and contributions from the student for the IDA-type savings account</td>
<td>FIA Office of Programs</td>
<td>October 1, 2008</td>
</tr>
<tr>
<td>Decide implementation of IDA-like savings program based on cost and availability of TANF and grant funds</td>
<td>FIA Executive Director</td>
<td>October 31, 2008</td>
</tr>
<tr>
<td>Apply for grants from banks and philanthropic organizations</td>
<td>FIA Office of Programs</td>
<td>December 31, 2008</td>
</tr>
<tr>
<td>Make changes to TCA policy to include IDA-like savings account as decided by FIA Executive Director</td>
<td>FIA Office of Programs</td>
<td>April 1, 2009</td>
</tr>
<tr>
<td>Submit policy changes to the Standing Policy Committee for review and approval</td>
<td>FIA Standing Policy Committee</td>
<td>April 27, 2009</td>
</tr>
<tr>
<td>Modify CARES to add payment to savings account</td>
<td>Office of Programs Office of Technology for Human Services</td>
<td>July 1, 2009</td>
</tr>
<tr>
<td>Train local department staff on changes at Quarterly Policy Briefings</td>
<td>FIA Office of Programs</td>
<td>June 1 – 30, 2009</td>
</tr>
<tr>
<td>Implement IDA-like savings program for teen parent high school students on TCA</td>
<td>Local Departments of Social Services</td>
<td>July 1, 2009</td>
</tr>
<tr>
<td>Add fields on CARES screens to note post secondary education of teens in IDA-like savings program</td>
<td>FIA Office of Programs Office of Technology for Human Services</td>
<td>July 1, 2009</td>
</tr>
<tr>
<td>Design and begin evaluation using CARES and case manager narrative to measure outcomes for teens in IDA-like savings program</td>
<td>FIA Office of Programs Office of Technology for Human Services</td>
<td>July 1, 2009</td>
</tr>
</tbody>
</table>