

Proposed TANF Reauthorization 2018 & Principles and Proposals for Reform

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Overview

- Proposed TANF Reauthorization 2018
- FY 2019 President's Budget Proposal for TANF
- President's Executive Order 13828: *Reducing Poverty in America by Promoting Opportunity and Economic Mobility*
- Discussion

Proposed TANF Reauthorization 2018

TANF Legislative History

- Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA)
- Deficit Reduction Act of 2005
- American Recovery and Reinvestment Act of 2009
- FY 2017 Consolidated Appropriations Act
 - 0.33% set-aside for TANF-related research and technical assistance

Jobs and Opportunity with Benefits and Services (JOBS) for Success Act

- Introduced May 17, 2018; reported out of Ways & Means Committee June 13, 2018 ([bill text](#))
- Renames program from TANF to “JOBS program”
- Extends TANF/JOBS & CCDF for 5 years (through FY 2023)
 - Reappropriates \$608 million TANF Contingency Fund to CCDF
- Universal work/work-preparation engagement
- Work outcomes measures replace WPR as primary accountability mechanism
- Targets funds to truly needy families, core purposes
- Additional accountability

Universal Engagement & Case Management

- Would require all work-eligible individuals (WEI) receiving JOBS assistance to participate in work or work preparation activities.
- Initial assessment of education, skills, and work readiness to develop an **individual opportunity plan**.
 - Developed for each individual within first 60 days of eligibility
 - Reviewed every 90 days

Work and Work Preparation Activities

- Greater flexibility in customizing work or work preparation activities to an individual's needs
 - Adds apprenticeships
 - Removes 12 month limit on vocational education
 - Allows additional activities determined by the State as necessary to improve employment, earnings, or other outcomes of JOBS recipients.
- Report on participation in work activities (e.g. number of hours, reason for zero hours)

Work Outcomes Measures

- Work outcomes measures replace the work participation rate as the primary state accountability mechanism.
- Designed to align with WIOA
 1. **Job Entry:** Percent of WEI in unsubsidized employment in Q2 after exit (40%).
 2. **Job Retention:** Percent of WEI in unsubsidized employment in Q2 & Q4 after exit (25%).
 3. **Earnings:** Median earnings of WEI in unsubsidized employment Q2 after exit (25%).
 4. **High School Completion:** Percent of WEI under 24 years of age, attending high school or enrolled in an equivalency program, who obtain a high school degree or equivalent (10%)
- Performance levels will be negotiated with HHS, adjusted based on a statistical model

Target Funds

- Limits use of JOBS and state MOE funds to families with income below 200% of the federal poverty level.
- Allows states to transfer up to 50% of TANF funds to CCDF, child welfare (max 10%), and WIOA (max 15%).
- Prohibits transfer of JOBS funds to SSBG and direct spending on child care or child welfare.
- **Spending Floor:** States must spend 25 percent of JOBS grant and state MOE on assistance, case management, work supports and supportive services, work, wage subsidies, work activities, and non-recurring short-term benefits.
- Phase-out of third-party nongovernmental MOE

Accountability

- Website with state-by-state profiles and dashboard report card structure.
- Provides HHS authority to approve State JOBS plans, which cover a 2-year period, and includes new plan requirements related to new provisions of the law including case management, universal engagement, performance measures and levels, etc.
- Requires reporting of improper payments by states.
- Requires states to report full population data in order to improve transparency and reporting in the JOBS program.

Other

- Adds a new purpose: “reduce child poverty by increasing employment entry, retention, and advancement of needy parents.”
- Creates a 0.25 percent set-aside of the block grant for technical assistance.
- Requires JOBS funds to be expended within 3 years of grant; 15 percent of funds may be reserved for “rainy day” fund.

FY 2019 President's Budget: TANF Proposals

[FY 2019 HHS/ACF Congressional Justification](#) (p. 344- 355)

[FY 2019 HHS Budget in Brief](#) (p. 105-107)

OFA FY 2019 Budget Proposals

- Reduction in block grant & elimination of TANF Contingency Fund
- Strengthening Work in TANF Proposals
 1. Spending floor
 2. Employment credit
 3. Eliminating the two-parent rate
 4. Allowing partial credit
- Remake the Safety Net (RSN)/Welfare-to-Work Demonstrations Proposal

Funding

- Provides \$15.1 billion for TANF, which reflects a 10 percent reduction from the FY 2018 level (aligns with elimination of SSBG).
- Eliminates the TANF Contingency Fund.
- Continues 0.33 percent set-aside for research, evaluation, and technical assistance.

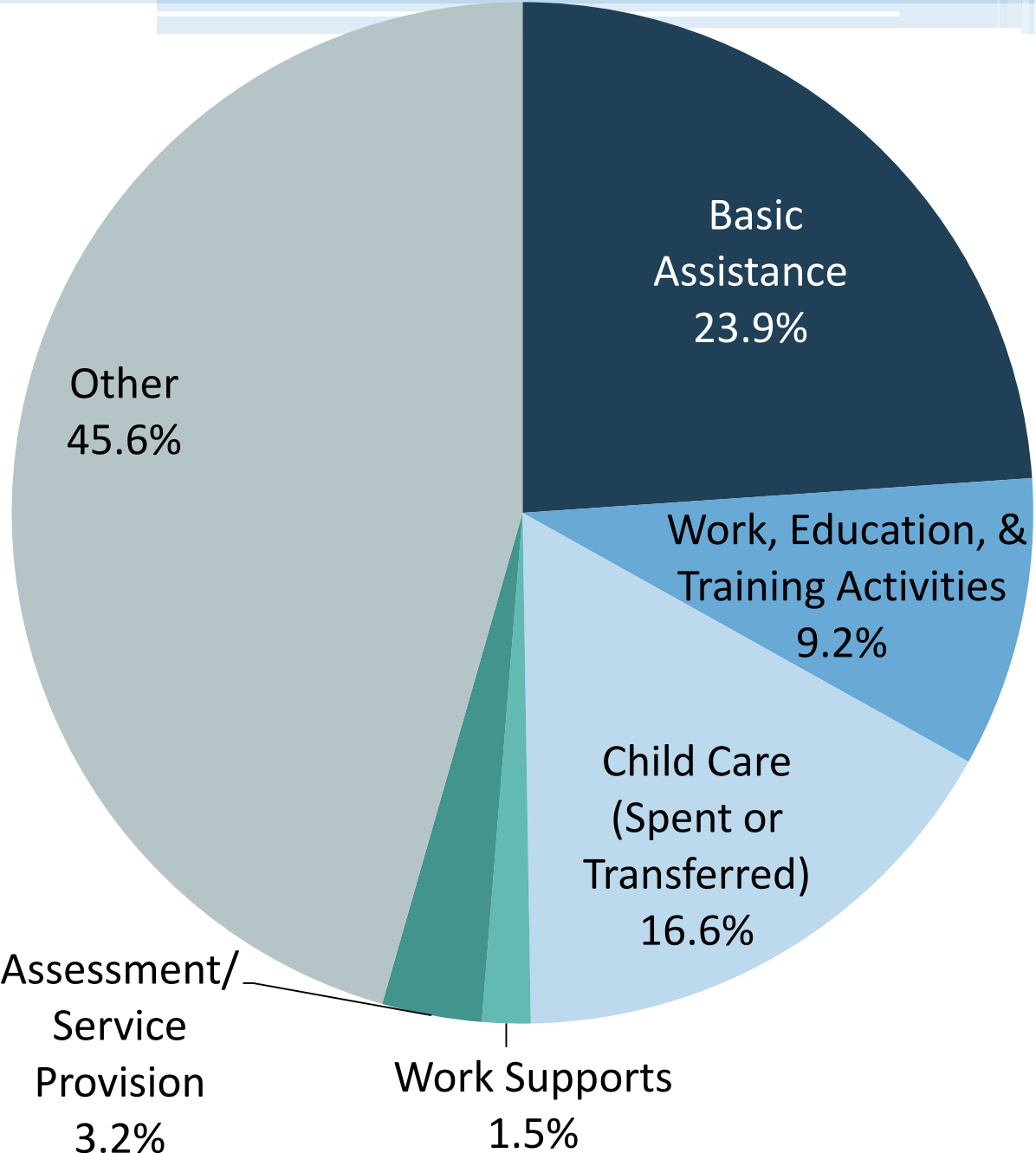
Strengthening Work in TANF Proposals

1. Spending Floor for Work & Work Supports

TANF spending data show that there is an underinvestment in helping low-income individuals prepare for, find, and keep jobs that will help them move beyond poverty and dependency.

- Proposed change: a 30 percent spending floor would require states to spend a certain share of federal TANF and state MOE funds on:
 - Work, education, and training activities
 - Child care
 - Work supports
 - Case management (assessment/service provision)

National TANF and MOE Spending and Transfers by Activity, FY 2016



2. Replace Caseload Reduction Credit with Employment Credit

States are able to meet their WPR targets without meaningfully engaging TANF recipients in work through the caseload reduction credit.

An “employment credit” would allow states to get credit toward a reduction in their work participation rate target (capped at 20 percentage points) based on the number of work-eligible individuals who are employed after they leave cash assistance.

3. Eliminate the two-parent WPR

- Eliminate the separate 90 percent work participation rate for two-parent families (“marriage penalty”)

4. Allow for partial credit

- Provide partial credit to states for engaging families even if they don't meet the full hourly requirement.

Remake the Safety Net Demonstrations with Welfare-to-Work Projects

The Problem

- The current intention and architecture of the public safety net is not the most effective and efficient model to address the challenges of economically and socially vulnerable families.
- The safety net as we now know it is a fragmented collection of single-purpose programs that lack a holistic approach to serving the needs of vulnerable populations.

The Solution

Remake the Safety Net (RSN) Demonstrations — a portfolio of 5-7 rigorously planned, implemented, and evaluated demonstrations in partnership with states, localities, and other federal agencies, intended to grow the capacity of economically and socially challenged individuals to support themselves and their families and thereby reduce their need for and dependence on public assistance.

Demonstration Projects

Applicants for the pilots would be allowed to request waivers of requirements in these programs to the extent necessary to combine resources and develop holistic approaches for their chosen target populations.

Demonstrations would require:

- Cross-department collaboration
- Rigorous, random-assignment evaluations by independent evaluators
- Comprehensive assessment of adult and child outcomes
- Cost-neutral to the federal government

Policy Principles

1. The **central policy objective** of growing the capacity of individuals to reduce their dependency on public supports and enhance their ability to be productive, contributing members of society.
2. The **federal government** should serve as a **catalyst**.
3. The development of a comprehensive **set of outcomes** that define growing capacity.
4. An emphasis on national values of **work and personal responsibility**.
5. Provide services to target populations through **holistic, person-centered approaches**.

President's Executive Order 13828

Reducing Poverty in America by Promoting Opportunity and Economic Mobility

Principles of Economic Mobility

- i. Improve employment outcomes and economic independence (including through work requirements);
- ii. Promote strong social networks (including through work and marriage);
- iii. Address the challenges of populations that may particularly struggle to find and maintain employment;
- iv. Balance flexibility with accountability for achieving outcomes in public assistance programs;

Principles of Economic Mobility (continued)

- v. Reduce the size of bureaucracy and streamline services to promote the effective use of resources;
- vi. Reserve benefits for people with low incomes and limited assets
- vii. Consolidate or eliminate federal programs that are duplicative or ineffective;
- viii. Share state, local, and tribal successes and failures;
- ix. Empower the private sector, as well as local communities, to develop and apply locally based solutions to poverty.

Discussion