

# Improving State TANF Performance Measures

The Urban Institute  
NAWRS Annual Workshop  
Vail, Colorado  
September 12, 2011



# Project Information

- The project is being conducted by the Urban Institute, under contract with the U.S. Department of Health and Human Services, Assistant Secretary for Planning and Evaluation.
- Final report due September 30, 2011



# Report Methodology

- Site visits in New York City, Maryland, Minnesota, Utah, and Wisconsin
  - Discussions with state and local officials, data analysts, advocates, researchers
  - March to May 2011
- Phone calls to Arkansas, California, Florida, Texas and Washington
- Review of materials



# Introduction

- “Performance Measurement” means different things in different states
  - Managing caseworker performance
  - Measuring important policy indicators
  - Monitoring data for informational purposes
- Performance Measurement systems are more than specific measures
  - Definition of measures
  - Goals of measures
  - Process of setting targets, reviewing performance, creating incentives/consequences



# Highlights of State Systems

- **New York City:** Long-standing but evolving system, focused on work
- **Maryland:** Focused on improving WPR, since scaled back
- **Minnesota:** Complex adjustments for county conditions; linked to county funding
- **Utah:** New outcome measures with no financial penalties
- **Wisconsin:** Long-standing use of outcome measures in county contracts



# Outcome Measures

- Employment Outcomes
  - Placement, Earnings, Retention
- Other Outcomes
  - Educational attainment
  - Positive enrollment closures (e.g. child support)
  - SSI receipt



# Other Measures

- Engagement in other activities
- Timeliness and efficiency of processing
- Federal work participation rate
- No measures directly related to child outcomes, family stability, access or poverty.



# History of State TANF Performance Measurement Systems

- Feature of initial and ongoing competitive selection of TANF providers (WI, NYC)
  - Goal: focus on outcomes, especially work
- Response to limitations of WPR (MN, UT)
  - Goal: focus on outcomes, especially work
- Developed in anticipation of DRA (MD)
  - Goal: improve work participation rate



# Setting Performance Targets or Benchmarks

- Targets set in advance
  - Most states adjust somewhat for conditions
- Retrospective look at performance
  - Minnesota only; 3-year retrospective
  - Complex data analysis to adjust for conditions



# Reviewing Performance

- Continuous access to performance data
  - local access to real-time data dashboards for program management
- Monthly or quarterly status reports
- Formal review meetings with agency heads
- Accountability for performance annually or over multi-year contract



# Incentives and Penalties

- All identify areas for improvement & action
- Most share performance publicly/with peers
- Some entail financial penalties or rewards
  - Competitive advantage for future contracts
  - Funding contingent on performance
  - Incentive fund for high performers



# Assessing Measure Effectiveness

- Attention is focused on what is measured
- Better outcomes attributed to measures
- Improved morale attributed to measures
- Targeting of special services due to measures
- Measures revised and/or targets raised over time



# Implementation Challenges

- Data Challenges
  - Fair and accurate data
  - Timely and useful data
  - Burden of data collection
- Changing Mindset of Caseworkers
- Controversies Inevitable



# Keys to Success

- Few and Clear Performance Measures
- Active Management of Performance
- Commitment to Using Data
- Priority of Top Managers
- Commitment to Evolution



# What states want in a federal TANF performance measurement system:

- Accountability for performance
- Focus on outcomes, especially employment
- Flexibility to meet client needs



# State Suggestions for Improvements

- Expand the list of countable activities
- Increase flexibility around number of hours of engagement
- Count educational activities toward GED or high school diploma as core activities
- Reduce administrative burden of verification and reporting requirements



# Implications of Hypothetical Changes

- Adjusting targets by state circumstances
  - Useful for evaluating employment outcome measures
  - Measuring improvement rather than fixed target creates incentive to help most challenged families
- Ranking states
  - Some states will respond to rankings; others won't
  - State differences limit fair comparisons of states
- Adding measures of poverty, well-being
  - Good goals but not good measure; TANF can't do alone

