

Measuring what matters:

Shifting Temporary Assistance for Needy Families to an outcome-based model



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In recent years, Congressional leaders on both sides of the aisle have expressed interest in updating the Temporary Assistance for Needy Families (TANF)¹ program to better capture information on how well the program supports employment outcomes for program participants. In May 2018, the House Ways and Means Committee approved legislation – the JOBS for Success Act (HR 5861) - that would replace the state work participation rate, a state performance measurement system which measures the percentage of households that have at least one adult participating in a set number of hours of work or related activities each week, with an outcomes based performance measurement system that would evaluate states on how well they did in assisting TANF recipients in achieving employment, earnings, and credential attainment goals using metrics similar to those in the Workforce Innovation and Opportunity Act (WIOA).² In December 2018, Senators Orrin Hatch (R-UT) and Ron Wyden (D-OR), the chairman and ranking member of the Senate Finance Committee, introduced their own TANF extension bill that would authorize ten state pilot projects to test the use of WIOA-like performance measures.

This shift from measuring process to measuring outcomes is consistent with broader Congressional efforts to align performance measures across federally-funded education, workforce, and human services programs, and if adopted would offer states and other stakeholders significant opportunities to connect low-income individuals to the skills and credentials that are in demand in today's labor market. This paper provides some background on the rationale for aligned outcomes measures and outlines some key considerations for federal and state policymakers as they look to adopt similar measures for TANF and other public assistance programs. With TANF overdue for reauthorization, Congress has an opportunity to modernize the program and better align performance requirements with the demands of today's economy.



Aligned outcome measures

Why shift TANF to an outcomes-based accountability system?

The statutory purposes of TANF include ending the dependence of needy parents on government benefits by promoting job preparation and work, but the current accountability system under TANF is not designed to promote economic self-sufficiency and career advancement in today's economy. The primary performance measure of TANF is the "work participation rate," which requires states to ensure that 50 percent of TANF-receiving families with a work-eligible adult – and 90 percent of families with two work-eligible adults – be engaged in a minimum number of hours of work or other qualifying activities on a monthly basis. (The qualifying activities and who is a "work-eligible adult" are defined at the federal level. Most adult recipients, including those a state may have deemed unable to work and not subject to penalties for not participating in work activities, are defined as a work-eligible adult.) Because the focus is on participation in a federal-defined set of work activities, states do not receive any credit for assisting TANF

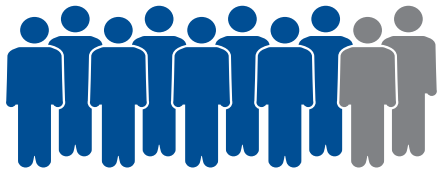
participants in finding steady jobs that provide family supporting wages and benefits, and receive no credit for employment that lasts beyond the period of TANF receipt, and so have limited incentives to invest scarce resources in the kinds of education, training, and work supports that can lead to lasting career attainment for participants. Indeed, TANF actively discourages participation in training activities by limiting the percentage of households that are engaged in education or training that can be counted toward the WPR, and by limiting the duration of time that training can count towards individual work requirements. This creates a challenge for both participants and states; more than 80 percent of all jobs in today's economy require some education or training beyond high school, but only 8.6 percent of TANF adult recipients have education beyond the secondary level³, meaning that there are limited opportunities for participants to find and keep sustainable employment.

The work participation rate also creates significant administrative burdens for state and local administrators. Because of strict work verification requirements established under the 2005 amendments to the law, TANF administrators often find themselves focusing more on tracking compliance than on activities that can actually support longer-term employment outcomes – one study found that more than half of caseworker time was taken up on compliance efforts.⁴ The work participation requirements also create barriers for workforce development, higher education, and other service providers, both because their programs and services are not usually designed to meet specific time requirements, and because staff within those systems are often not comfortable taking responsibility for verifying compliance with a program over which they have no jurisdiction. While there are certainly good examples of states and local agencies working to provide high-quality training and employment opportunities for TANF participants, those opportunities are often not supported with TANF funding to avoid running afoul of the outdated WPR requirements.

Shifting TANF to an outcomes-based accountability system – where states are rewarded based on how successfully they are assisting TANF participants in getting the skills and credentials necessary to compete in today's labor market – would significantly improve TANF's ability to realize its goal of promoting work. It would allow states and local agencies to focus on activities and strategies that have proven value in advancing low-wage workers into better-paying jobs, while also providing clear accountability metrics to evaluate whether states are achieving the broader goals of the law. Just as importantly, TANF participants would be

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able to meet work expectations through participation in activities that genuinely support long-term success rather than focusing on mere compliance with artificial hourly standards. And, transitioning to an outcomes-based model that is more closely aligned with the existing performance framework under other federal laws – particularly those metrics established under WIOA – would allow TANF participants to more effectively engage in workforce and education programs that focus on results instead of processes.

Why align with the WIOA common measures?

One of the most persistent criticisms of federally funded education, workforce, and human services programs has been that individual programs operate in “silos” and are not always effectively coordinated with other services and systems that could support the best outcomes for jobseekers and businesses. Historically, one of the drivers of this fragmented ecosystem was the development of conflicting measures of “success”: for some programs, employment and earnings were a priority, while for others educational attainment, work participation, or other factors were used to evaluate program effectiveness. While these measures are not always in conflict, in many cases they create coordination challenges. For individuals

who might need to access more than one program or service – for example; low-income workers who needed to enroll in a workforce program but also participate in TANF or other public assistance program to support their families while in training - this meant trying to work through multiple service plans and program requirements, often on timelines that were unrealistic or unconnected to their longer-term employment goals. For service providers and administering agencies, the conflicting performance measures often served as a barrier to coordination between different systems, as activities would be geared towards achievement of the specific outcomes required by a particular funding stream, rather than aligned to more effectively leverage resources and complement services.

In order to address these alignment challenges, Congress in 2014 opted to establish a set of common performance measures across all six of the “core programs” under WIOA. Building on recommendations from state leaders and other experts (see pullout box), Congress required states to establish and meet annual performance benchmarks for each program, while also requiring unified state plans that emphasize coordination and alignment between the programs to ensure that proposed outcomes are realistic and tailored to the specific populations being served through each program.

How were the WIOA common measures developed?

To develop common measures across workforce preparation programs, state leaders collaborated in the Integrated Performance Information (IPI) Project to recommend a small set of measures that became the basis for the common measures codified in WIOA. The IPI project was led by six states (Florida, Michigan, Montana, Oregon, Texas, and Washington), with the assistance of the National Governor's Association Center for Best Practices and the Ray Marshall Center at the University of Texas. IPI convened policy and technical teams from each of the six states with representation from a cross-section of programs including Workforce Investment Act (WIA) Title I, TANF, Adult Education, Community and Technical Colleges, Secondary Career and Technical Education, and Vocational Rehabilitation. The basic question before the teams was: If all programs that help prepare people for work are measured by the same performance measures, what are the best measures? The team members endeavored to arrive at solutions that were acceptable to all.

Once the teams from the six states arrived at a consensus on draft recommendations, the Project was expanded to include cross-program teams from 10 additional states and additional tweaking of the draft measures. The draft measures were then vetted with national policy and constituency organizations, experts in program evaluation, and representatives of national business and labor organizations. The measures were also tested empirically by some of the IPI states that ran the data on the draft measures and explored other options. Through this elaborate year-long process that included over a half-dozen in-person meetings involving nearly 200 individuals, the IPI Project finalized recommended measures. The five measures for accountability (measures to be used for setting targets with consequences for not meeting targets) were:

- ◆ short-term employment rate
- ◆ long-term employment rate
- ◆ earnings level
- ◆ credential attainment rate
- ◆ repeat employer customers

The first four of these measures were endorsed by the nation's governors through the National Governor's Association and eventually codified among the six "primary indicators of performance" in WIOA.⁵

The WIOA common measures were thoughtfully developed with input from a wide range of program experts and stakeholders. Recent legislation such as the JOBS for Success Act of 2018 (HR 5861) would transition TANF to an outcomes-based performance measurement system using metrics similar to those under WIOA, however the specific metrics were developed with little input from program experts and stakeholders such as the state TANF administrators who are responsible for the actual implementation of TANF programs. Specific metrics for an outcomes-based performance measurement system for TANF should be developed with careful consideration of how best to design performance measures for TANF that are similar to the WIOA measures.

What are the WIOA common measures?

WIOA establishes six primary indicators of performance that are, for the most part, common across the six core programs authorized by WIOA: WIOA Title I, Program for Youth; WIOA Title I, Program for Adults; WIOA Title I, Program for Dislocated Workers; WIOA Title II, Adult Education and Family Literacy; WIOA Title III, Employment Service; and WIOA Title IV, Vocational Rehabilitation.

WIOA also requires states to use the first four indicators to measure the performance of Eligible Training Providers (ETPs). ETPs are providers that operate training programs eligible to serve WIOA Title I participants funded by Individual Training Account vouchers. ETPs include community and technical colleges, proprietary schools, community-based programs, apprenticeship programs, and other training providers

The six WIOA primary indicators of performance are:⁶

- ◆ **Employment in the short-term:** "The percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program."
- ◆ **Employment in the longer-term:** "The percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program."
- ◆ **Earnings level:** "The median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program."
- ◆ **Credential attainment:** "The percentage of program participants who obtain a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent ... during participation in or within 1 year after exit from the program."

- ◆ **Skill gains:** “The percentage of program participants who, during a program year, are in an education or training program that leads to a recognized post-secondary credential or employment and who are achieving measurable skill gains toward such a credential or employment.”
- ◆ **Effectiveness in serving employers:** “The indicators of effectiveness in serving employers.”

The first three of these indicators count only participants who are no longer served by WIOA. The fourth indicator applies to both those currently participating and those who have left during the past year. The fifth indicator applies to participants during their time of service.

There are several things that are important to note about these indicators in order to correct some frequent misunderstandings.

The earnings level indicator is not a measure of increased earnings from one time period to another. The earnings level indicator simply measures employed participants’ earnings during the second quarter after exit. Measures of increased earnings from preprogram enrollment to after program exit are mostly determined by participants’ level of pre-program earnings, and therefore are problematic as program performance indicators. The higher the pre-program level of earnings the lower the gain, other things remaining equal. Differences in an earnings gain measure from year to year or between states are more likely to reflect differences in preprogram earnings than differences in program effectiveness.

Similarly, employment in the short-term and employment in the longer-term are not measures of, respectively, entered employment or employment retention. Neither measure is dependent upon participants’ employment status prior to the post-exit follow-up quarter. Instead they measure all exiters’ employment regardless if they were employed or unemployed in a previous time period. Measures of employment retention from one time period to another can be misleading. One could observe, for example, an 80 percent employment rate in the first period and an 80 percent retention rate in the second, both of which sound fairly impressive. But it would be possible that only 64 percent of all exiters could be employed during the second time period—a poor result that would be masked by a traditional retention measure.

It should also be noted that common measures do not mean common performance targets. Due to differences in program purposes and participant characteristics programs are not expected achieve the same results; under WIOA, there are separate performance targets for each core program.⁷ Either the Department of Labor or the Department of Education, depending on the core program, negotiates with each state a target for each metric for each program. It is not expected, for example, that the Title II program that serves adults with low levels of basic math or English language skills achieves the same level of earnings as the Title I program that serves dislocated workers. Similarly, a state with challenging economic and social conditions is not expected to achieve the same results as a state with stronger conditions.

Finally, the common measures are not limited to labor market outcomes. They include two measures of skills—skill gains during participation and credential attainment either during participation or within one year of exit.

There are six WIOA primary indicators of performance:



Employment in the short-term



Employment in the longer-term



Earnings level



Credential attainment



Skill gains



Effectiveness in serving employers

WIOA common measures in other programs

Since the passage of WIOA in 2014, Congress has built on the WIOA common measures in subsequent programmatic reauthorizations, in order to support better cross-program coordination. Federal agencies have also expanded the use of the WIOA common measures through administrative action.

Department of Labor programs. In WIOA, Congress established the common measures for Department of Labor administered programs beyond the core programs mentioned above. WIOA also applies the common measures to Job Corps, YouthBuild, Indian and Native American Programs, National Farmworker Programs, and by reference, Jobs for Veterans State Grants. To continue the alignment of performance measures, the Department of Labor administratively applied the common measures to H-1B Job Training Grants and to the Reentry Employment Opportunities program. And in 2015, Congress amended the Trade Adjustment Assistance Act and incorporated the first five WIOA common measures.⁸



Supplemental Nutrition Assistance Program

(SNAP). In the 2014 reauthorization of the Agricultural Act, Congress required the Department of Agriculture to develop national reporting measures for the SNAP Employment & Training (E&T) program, and for state agencies to report outcome data to the Department. The Act required the Department to develop the measures in consultation with the Department of Labor and to base the measures on the common measures for federal workforce training programs. After consulting with Labor, in 2016 the Department of Agriculture issued measures for the SNAP Employment and Training program, the first three of which are very similar to the first three WIOA measures. States began reporting outcome data to the Department of Agriculture in January 2018.⁹

Career and Technical Education. In the summer of 2018 Congress passed the Strengthening Career and Technical Education for the 21st Century Act, commonly referred to as “Perkins V.” The amendments become effective in 2019. For post-secondary career and technical education Perkins V uses the short-term employment (and continued education) indicator and the credential attainment indicator. The Department of Education requires states to apply the Perkins measures to all career and technical education students, regardless if the students directly benefit from Perkins dollars. This means that these two common measures will apply to nearly all career and technical education at community and technical colleges throughout the nation.

Common measures and TANF

As mentioned in the beginning, TANF performance accountability is measured by the work participation rate, which is a process measure of the extent to which individuals engage in certain activities, not a measure of participant outcomes. This contrasts with the growing list of other federally funded programs that measure employment and related outcomes using WIOA common measures. By not holding states accountable for a similar set of outcome measures, TANF’s performance measurement system creates barriers for coordination not only with WIOA, but an increasing number of other programs that can benefit TANF recipients.

This part of the paper explores the application of outcome-based performance measures similar to the WIOA common measures to TANF.

What could the outcome measurement system look like under TANF?

Given that one of the statutory purposes of TANF is ending the dependence of needy parents on government benefits by promoting job preparation and work, outcome-based performance measures like the WIOA common measures 1 through 5 could be applied to TANF. Considering the purposes of TANF, it may be useful to emphasize some of these measures more than others.

Outcome-based measures for TANF,

Special consideration should be given to alignment with WIOA common measures 4 and 5 because the level of educational attainment among today's adult TANF recipients is incredibly low in comparison to that of the general population. In Fiscal Year 2017, over 36 percent of adult TANF recipients with active cases and over 24 percent of closed-case adult recipients had less than a 12th grade education.¹⁰ The most successful TANF work programs over the long-term have been those that supported increasing participants' education and skill levels, rather than simply requiring them to work.¹¹ TANF participants are also disproportionately impacted by trauma and chronic stress which often negatively impact executive functioning skills and other soft skills. Research shows that these skills can be improved and suggests that trauma-informed and brain science-informed TANF programs may help participants to develop their soft skills.¹² Therefore, measuring not only the credential attainment and skills gains outlined in WIOA measures 4 and 5, but credential attainment and skills gains more broadly should be considered.

From American Public Human Services Association

There are important elements, in addition to the metrics themselves, that should be part of a new performance accountability system similar to WIOA.

◆ Who should be included?

TANF outcome indicators of credential attainment, employment, and earnings could measure work-eligible "leavers" to ensure comparability with the common measures for other programs. Work-eligible "leavers" are individuals who were but are no longer recipients of

cash assistance and were included in the state's work participation rate calculation. Another option would be applying the measures to only participants receiving employment, education or training services; this would ensure that states are only being measured for those individuals for whom they are directly providing services, which may be a "fairer" measure of state efforts. However, this approach may create disincentives for states to expand access to education and training services, particularly where states may be getting strong outcomes with relatively small numbers of participants. Congress should consider how to reward states that are getting good outcomes while also expanding opportunities for TANF participants.

- ◆ **Time of exit:** The first four WIOA common measures are linked to a time of exit. For TANF, the time of exit should be when the family's cash assistance case is closed. States, however, would receive recognition for service prior to exit through the skills gain measure and through the credential attainment measure counting individuals who receive a credential before leaving the program.
- ◆ **How should targets be set?** Performance targets should reflect the purpose of a program, past performance, the population served, and economic conditions. As under WIOA, performance targets should be established through a negotiation process between the federal agency and individual states that includes each of these factors. The state's own past performance should be considered as well as the state's performance compared to other states. During the negotiation, a state should be able to explain the strategies it employs and how the strategies affect performance outcomes.

A performance accountability system should not deem a state or local program that serves individuals with more significant employment barriers or operates under poor economic conditions a poor performer. Performance targets should reflect realistic expectations given the characteristics of the individuals served and the economic conditions in which the program is operating.

To provide an objective basis for considering the impact of population characteristics and economic conditions on outcomes, WIOA requires the use of statistical adjustment models that include population and economic variables. Congress should require such models for TANF. This may necessitate the collection of additional data elements on the characteristics of TANF recipients.¹⁰

Health and Human Services should annually negotiate performance targets with each state. Like the performance accountability systems in WIOA and Perkins, states failing to achieve their negotiated performance targets should have an opportunity to improve. Repeated failure should result in requirement of an increase of state Maintenance of Effort (MOE) funds directed toward the implementation of an improvement plan. (Currently, states that do not meet the work participation rate face a financial penalty, which gives them *less* resources to meet the performance targets.)

What resources would be needed to accommodate increased alignment with WIOA common measures?

Data sharing: A cost-effective and efficient method to implement the common measures of employment, earnings, and credential attainment is to link administrative records of program participants with other employment and education data sets. Under WIOA, states are required

Sharing wage records

Each state requires employers whose employees are covered by unemployment insurance (UI) to report each employee's employment and quarterly earnings to the state. States can link these UI wage records with program administrative records on participants, while projecting privacy and data security, to identify participants' employment and earnings and produce aggregated information. This method is more accurate and a much less costly than other methods of measuring employment and earnings such as surveys or case manager follow-ups with participants and/or employers. It can also be performed in a consistent manner across programs.

State UI wage records, however, do not capture all employment and earnings. They do not include employment outside of the state, federal employment, or self-employment. To cover these gaps, DOL has facilitated an agreement among the states for a State Wage Interchange System (SWIS) to access employment and earnings information for individuals employed in another state. DOL has also supported the creation of the Federal Employment Data Exchange System (FEDES) for information on federal employment; and permits states to collect supplemental data, such as tax records, for workers who are self-employed or who for some other reason are not captured by the other methods.

to use unemployment insurance (UI) wage records to measure the three employment and earnings indicators. Using this same method across programs is important to reinforce the consistency of common metrics.

Congress should require the use of UI wage records as the primary source of employment and earnings data for TANF, and require states to grant TANF agencies access to UI wage information for the purpose of measuring state performance. TANF agencies should also have access to information obtained through the State Wage Interchange System (SWIS) and the Federal Employment Data Exchange System (FEDES) and be permitted to collect supplemental data on self-employed workers and others, again, for the purpose of measuring state performance.

To link participant records with state UI wage records, TANF agencies will need to enter into data sharing agreements with their state's UI agency. UI agencies have extensive experience forming such agreements with other programs. TANF agencies may also be able to access UI wage records that are included in the National Directory of New Hires, maintained by the Office of Child Support Enforcement in the U.S. Department of Health and Human Services. TANF agencies may also form data sharing agreements with postsecondary education systems to obtain information for the measure of credential attainment. To capture credentials attained out-of-state, TANF agencies may enter an agreement with the National Student Clearinghouse that has data on students enrolled in the large majority of the nation's postsecondary institutions.

Over forty states have created State Longitudinal Data Systems that include UI wage records, postsecondary student records, P-12 student records, and sometimes participant records for social service programs and corrections. Some SLDS have umbrella agreements for data sharing that enable new programs to be added without the need to separately enter an agreement with each participating program or system.

Data sharing agreements should specify which entities that will have access to individual or aggregated data, and the exact process of linking UI, education, and TANF records to ensure individual privacy and data security.

Transition time and resources: Transitioning to a new performance measurement system takes time and additional resources. When the nation moved from the performance accountability system of WIA to WIOA, Congress, DOL, and DOE granted states time for the

transition to occur. Congress also appropriated additional resources for the states through the Workforce Data Quality Initiative, and the Departments provided extensive technical assistance to help states and local areas make these adjustments. Congress and HHS should similarly provide sufficient time and resources for TANF agencies to make the necessary changes.

State and local entities will need to update management information systems and adopt data sharing agreements. Program administrators and other staff will need to become familiar with the new performance measures and make appropriate changes in service strategies. New employee manuals and forms will be required. In some states, new laws and regulations may be needed, and TANF agencies will need to notify participants of the changes.

States were permitted a transition period of over four years after WIOA was enacted before being required to report annual outcomes per each of the common measures.¹⁴ WIOA was signed into law on July 22, 2014. The performance accountability and reporting provisions became effective on July 1, 2016. States then began collecting data per the new provisions. The first state annual performance reports were due on October 16, 2017, however DOL and DOE did not issue sanctions for late reports. Because the WIOA performance indicators measure participant outcomes up to one year after exiting from the program, it was not until the fall of 2018 that state annual reports were required to include results on each of the performance indicators.

States and local areas needed to collect and report baseline performance data before targets were negotiated with DOL and DOE. Before the implementation of WIOA, for example, Adult Education (with the exception of measurable skill gains) and Vocational Rehabilitation were not experienced with the types of measures included among the WIOA common measures. Therefore, even in Program Year 2019, they are setting a baseline only. The Department of Education will not negotiate performance targets for Adult Education or Vocational Rehabilitation and hold states accountable for meeting the targets through PY 2019.¹⁵

To transition to outcome measures more closely aligned with the WIOA common measures, Congress and HHS should provide a similar timeline for TANF.

Data privacy and security

It is critical to ensure individual privacy is protected and data is securely maintained. Here are some of the key requirements for data privacy and security:

- ◆ Ensure that applicable laws and regulations are adhered to such as the Federal Educational Rights and Privacy Act (FERPA).
- ◆ Do not release personally identifiable information. Report only aggregated data that is of sufficient size. A common practice is a minimum of 10 individual records.
- ◆ Adhere to the latest technical standards for data security.
- ◆ Encrypt data.
- ◆ Follow data minimization practices to include only necessary data elements.
- ◆ Limit data access to necessary personnel only.
- ◆ Train personnel in data privacy and security practices; e.g., proper data storage and transmittal.





One of the most important benefits of moving TANF to an outcomes-based system more closely aligned with the WIOA performance measures would be increased coordination and participation of TANF participants in job training, adult education, and other critical workforce services offered through WIOA core programs.

What about Work Participation Rate?

This paper focuses on the benefits of shifting from the current state work participation rate regime under TANF to an outcomes-based accountability system that would more effectively capture whether states are adequately preparing unemployed TANF participants for work and moving them into family-supporting jobs and careers. This approach would ultimately replace WPR as the primary means of ensuring state accountability, though it is possible that Congress may wish to adopt an interim approach whereby a subset of states would be permitted to pilot an outcomes-based system. In either event, Congress should take advantage of the next TANF reauthorization period to begin the transition. Individual states should be free to continue or create activity measures that they find useful, as well as additional outcome measures of their own design.¹⁶

Coordinating WIOA and TANF

One of the most important benefits of moving TANF to an outcomes-based system more closely aligned with the WIOA performance measures would be increased coordination and participation of TANF participants in job training, adult education, and other critical workforce services offered through WIOA core programs. As noted above, TANF participants often lack postsecondary skills and credentials that are increasingly necessary in today's economy, and improved access to WIOA-funded services would enable more individuals to take advantage of career advancement opportunities that would lead to lasting and sustainable employment.

Congress has already indicated its interest in greater coordination between WIOA and TANF by including provisions in WIOA to enhance coordination.

- ◆ **Purposes:** The purpose of WIOA is consistent with TANF's goal of ending the dependence of needy parents on government benefits by promoting job preparation and work. The first stated purpose of WIOA is, "To increase, for individuals in the United States, particularly those individuals with barriers to employment, access to and opportunities for the employment, education, training, and support services they need to succeed in the labor market." (Sec.2) WIOA expressly includes the purpose of reducing welfare dependency (Sec.2 (6)).
- ◆ **Service delivery:** Title I of WIOA establishes a one-stop service delivery system that provides access to a long list of career and training services that can benefit TANF recipients. Among these services are career counseling; labor market information; skills assessments; development of general workplace skills such as communication skills; financial literacy; occupational skills training; job search and placement assistance; and information about the availability of supportive services including child care, financial aid, SNAP, and TANF (Sec. 134(b)). Local one-stops may also directly provide supportive services, including childcare.
- ◆ **Priority of service:** WIOA establishes a new priority of service that includes TANF recipients. "Priority shall be given to recipients of public assistance, other low-income individuals, and individuals who are basic skills deficient for receipt of career services.... and training services." Sec. 133(c)(3)(E)

- ◆ **One-stop system:** TANF is a required partner program of the one-stop system unless a state's governor provides a written notification to the Secretaries of Labor and Health and Human Services that TANF will not be a one-stop partner. A one-stop partner program must use a portion of its funds to help maintain the one-stop delivery system and enter into a memorandum of understanding with the local workforce development board relating to the operation of the one-stop system.
- ◆ **Combined planning:** WIOA also offers states the option of creating combined state plans that cover one or more programs in addition to the WIOA core programs, including TANF. (Sec. 103) If a state opts for a combined plan, the plan must provide for the coordination of the core WIOA programs with the activities of the additional program(s). So far, 13 states have submitted combined plans including TANF. Even if a state does not choose to officially submit a combined plan to the federal secretaries, a state may still effectively use the WIOA state plan as a tool to coordinate planning and policies across programs.

TANF recipients may also benefit from the WIOA's linkages with employers. WIOA establishes employer engagement and serving employers as a required function of local workforce development boards (Sec.108 (d)(4)). Each local workforce development area must support industry or sector partnerships that are collaboratives including multiple employers with the purpose of addressing the human resource needs of the industry sector. These provisions help organize the demand side of the labor market, facilitating the placement of newly skilled workers into in-demand jobs.

Conclusion

Greater emphasis on skills and employment outcomes in TANF, rather than procedural compliance with a work participation rate, is a critical next step in moving people from needing government assistance to economic and family stability. The current tight labor market provides an opportunity to help individuals and meet employer demand for skilled workers by making TANF recipients ready for employment that enables them to be self-sufficient. TANF agencies, however, will not be incentivized to focus on preparation for employment unless TANF adopts performance indicators that measure employment and training and education outcomes.

Congress adopted common performance indicators in WIOA that were designed by the states to measure employment and related outcomes in a way that makes sense for a wide variety of programs that prepare people for employment. The WIOA common measures have been applied beyond the six core programs of WIOA to many other DOL programs, Perkins Career and Technical Education, and SNAP E&T.

Congress also made other significant improvements in WIOA to improve coordination with TANF and other programs: combined planning across programs, mandatory one-stop partners, priority of service for public assistance recipients. These changes demonstrate Congressional interest in aligning WIOA and TANF.

Given this context, the time is right to transition TANF to outcome-based performance measures more closely aligned with the WIOA common measures, allowing sufficient time and resources for the transition to occur.



Endnotes

- ¹ TANF is a federal block grant program that is best known for providing time-limited cash assistance to needy families, but may be used for other purposes
- ² WIOA is the nation's primary workforce development system legislation. WIOA outlines the structure of state and local workforce development boards, governs American Job Centers (one-stop centers), and creates a common set of performance measures for programs under the bill.
- ³ www.acf.hhs.gov/sites/default/files/ofa/fy17_characteristics.pdf
- ⁴ Dani Indovino et al, *The Flexibility Myth: How Organizations Providing MFIP Services are Faring Under New Federal Regulations*, Hubert H. Humphrey Institute of Public Affairs, University of Minnesota, May 2008
- ⁵ *Integrated Performance Information for Workforce Development: A Blueprint for the States*; Workforce Training and Education Coordinating Board; Olympia, Washington; 2005.
- ⁶ WIOA, Sec. 116(b)(2). In a sense, at this time, only the first four indicators are common indicators. The Departments of Labor and Education have provided guidance on five different ways that the skill gains indicator can be measured. The Departments are piloting three different ways of measuring effectiveness in serving employers, including repeat employer customers, and in the meantime the indicators of effectiveness in serving employers will not be used for performance accountability. (Training and Employment Guidance Letter 10-16)
- ⁷ With the exception of the expected performance level for effectiveness in serving employers, for which the Departments of Labor and Education plan on negotiating with states a WIOA system-wide, as opposed to program-specific, target.
- ⁸ Training and Employment Notice 8-16, Employment and Training Administration, U.S. Department of Labor.
- ⁹ www.federalregister.gov/documents/2016/03/24/2016-06549/supplemental-nutrition-assistance-program-snap-employment-and-training-program-monitoring-oversight
- ¹⁰ Administration for Children and Families, Office of Family Assistance, Characteristics and Financial Circumstances of TANF Recipients, Fiscal Year 2017.
- ¹¹ Center on Budget and Policy Priorities, "Work Requirements Don't Cut Poverty, Evidence Shows".
- ¹² Mathematica Policy Research, "Using The Science About Self-Regulation To Improve Economic Outcomes For TANF Families".
- ¹³ For a list of variables in the WIOA Statistical Adjustment Model, see the WIOA Performance Negotiation Tool at: www.doleta.gov/performance/guidance/negotiating.cfm
- ¹⁴ Training and Employment Notice 8-16 and Training and Employment Guidance Letter 3-17, Employment and Training Administration, U.S. Department of Labor.
- ¹⁵ Training and Employment Guidance Letter 9-17, Employment and Training Administration, U.S. Department of Labor.
- ¹⁶ California, for example, will soon be implementing a new system of state performance measures for TANF. See: www.cdss.ca.gov/Portals/9/ACIN/2018/1-49_18.pdf?ver=2018-08-02-151059-167



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