

State Choices About TANF Programs under DRA: Findings from Joint NGA/APHSA Survey

Live Webcast Presentation

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Survey Goal

- Obtain information about states' decisions regarding TANF programs following the passage of the Deficit Reduction Act (DRA) in 2006.
- Questions focused on 4 main categories:
 - Changes in Policy
 - Changes in Work Activities and Definitions
 - Changes in Services and Programs
 - Fiscal considerations

Methodology

- Electronic survey submitted to Human Services Commissioners and State TANF Administrators in the 50 states, the District of Columbia, and some U.S. territories
- Mostly closed-ended, multiple choice questions
- Developed jointly between NGA and APHSA; reviewed by a variety of experts
- Conducted from mid-May to late-June, 2007
- Responses from 49 states, the District of Columbia and one territory

General Findings

- States reported making changes to particular **policy, work activity, service, and fiscal** aspects of their programs.
- As expected, many changes are compliance-related and are mindful of the new, stricter work requirements.
- Survey responses also reveal an expansion in states' efforts to expand services to improve participation and address barriers

Changes in Exemption Policies

20 states reported making changes to their work exemption policies following DRA:

- Fifteen states indicated that individuals who were previously exempt from work requirements are now subject to work requirements.
- Ten states indicated that individuals who were previously exempt are now being served in a solely state-funded, non-MOE program
- Nine states indicated that they have developed new exemption categories.

Changes in Exemption Policies

Examples of categories added to work participation requirements who are not otherwise exempt:

- Non-recipient work eligible parent or care taker.
- Parent with child between ages 1– 2 years.
- Pregnant women, including those in second or third trimester of pregnancy.
- Parent or caretaker with intentional program violation or drug felony.

Changes in Standards for Contracting and Service Provision

Response Activity	Yes	No	Under Consideration
Expanding the use of performance-based contracting for services	34%	38%	28%
Incorporating penalties for failure to meet specific work participation rates in contracts for work-related services	26%	56%	18%
Instituting incentives or penalties to local/county offices based on performance	9%	68%	23%

Changes in Services and Programs

Most frequently cited changes either already implemented or under consideration:

- Changes to procedures/tools for assessing applicants and recipients (29 states: 15 implemented; 14 considering)
- Development of new employment programs for clients with multiple barriers (25 states: 11 implemented; 14 considering)

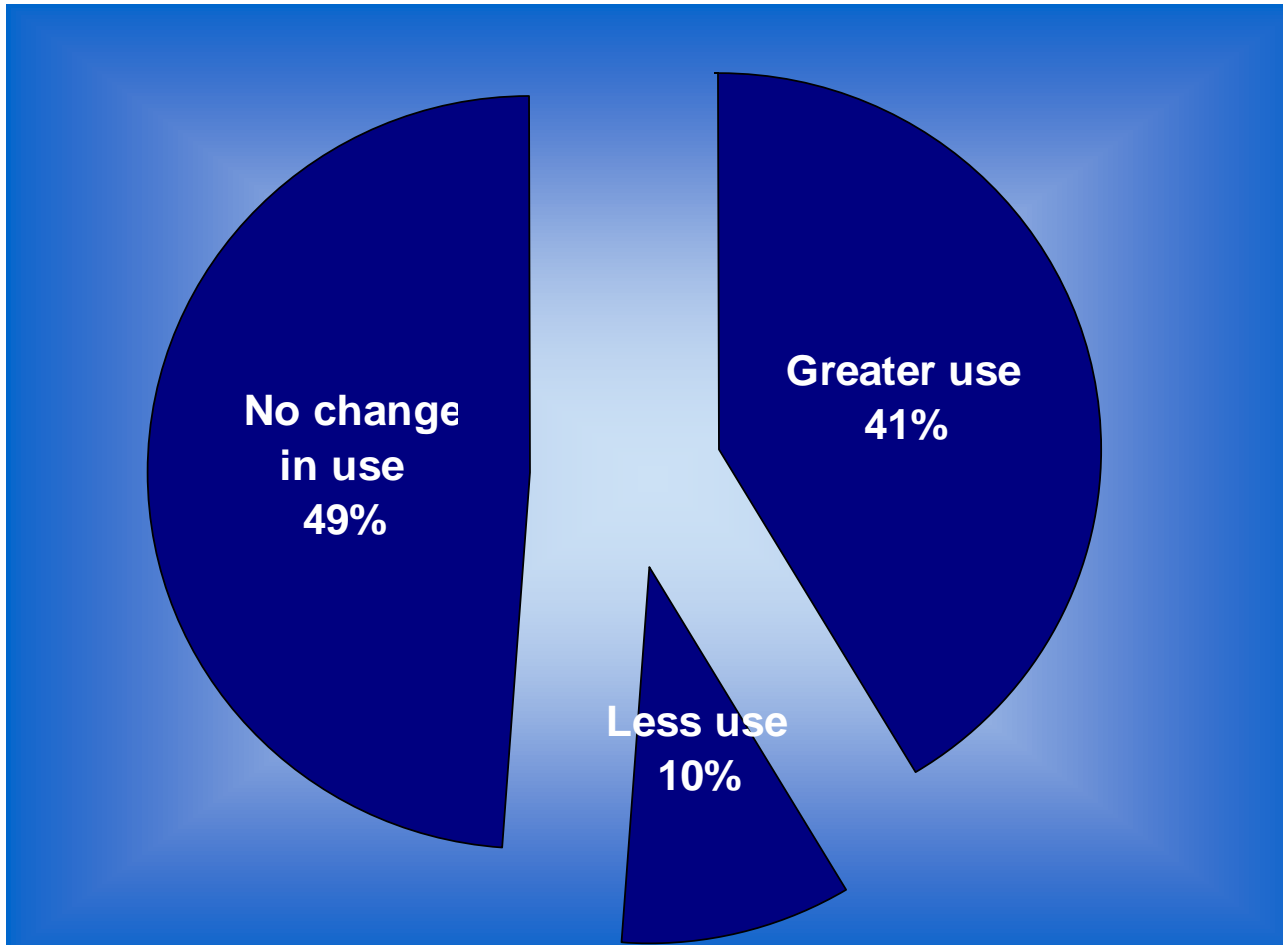
Specific Changes to Screening/ Assessment Tools and Procedures

- More up-front assessment conducted
- More thorough assessment process
- Introduction of self-assessments and web-based, automated tools
- Better training in use of screening and assessment tools

Specific Changes to Barrier-Elimination Programs

- More emphasis on/funding for supported employment
- Focus on comprehensive assessment and intensive case management
- Expanded contracting with relevant experts and agencies, e.g., Aging and Long-Term Services, Rehabilitative Services, social workers, mental health service providers, even for employment-related services

States' Anticipated Client Use of Mental Health/Substance Abuse Services



Changes in Definitions of Work Activities

- Many states reported making changes to their definitions pertaining to each of the following activities:
 - Job readiness (33 states)
 - Vocational educational activities (28 states)
 - Community service (25 states)
 - Job search (24 states)
- A number of states reported that the new definitions were implemented to align with changes in federal law and regulation.

Proportional Changes in Work Participation Rates for Various Activities

- At least 22 states predicted proportional increases in work participation rates in **each** of 3 categories:
 - Unsubsidized employment
 - Work experience
 - Community service
- At least 20 states predicted no change in participation for 6 of the 8 featured categories

Proportional Changes in Work Participation Rates for Various Activities

- Fewer states predicted proportional decreases within work participation categories:
 - Job search/readiness category: 13 states
 - Vocational educational training: 9 states
 - Work experience: 7 states
 - Community service programs: 7 states

Changes in Participation Parameters for Various Work Activities

- On balance, more states reported decreases than increases in the participation parameters (*e.g., number of eligible recipients, duration/amount of time allowed per participant*) for various work activities.

Changes in Participation Parameters for Various Work Activities

Notable increases:

- Seven states increased the number of recipients who can participate in vocational educational training
- Six states increased the number of months a recipient is allowed to participate in vocational educational training

Notable decreases:

- Eighteen states decreased the amount of time welfare-to-work providers can devote to job readiness activities
- Fourteen states decreased the amount of time a recipient can devote to job search as a stand-alone activity
- Fourteen states decreased the ability of recipients to pursue B.A. degrees

Changes in Sanctions Policies

Several states reported changing or considering changes to their **sanctions policies**:

- By expanding outreach and case management efforts with non-compliant families (13 changed; 7 considering)
- By speeding up the imposition of a full-family sanction (10 changed; 7 considering)
- By increasing the size of the penalties imposed (3 changed; 4 considering)

Changes in Service Offerings: Up-front Programs

- Up-front programs before receiving TANF: 16 states (8 implemented; 8 considering)
- Provisions include:
 - Barrier removal activities
 - Specific screenings
 - Participation in job readiness activities

Changes in Cash Diversion Policies

8 states reported changing and 7 states reported considering changes to cash diversion programs, mostly expansions.

- Among the changes:
 - Increasing the amount of the payment
 - Broadening criteria for inclusion in a diversion program
 - Providing a choice between monthly or lump-sum diversion.

Changes in States' Approach to SSI

- 27 states reported placing increased emphasis on the SSI application, referral, and appeals processes.
- 9 states were considering providing more assistance to SSI applicants

Changes in Earnings Disregard Policies

- 6 states reported changing and 9 states reported considering changes to cash earnings disregard policies, mostly in the direction of more generous policies.
- Among the changes:
 - Several states reported increasing the percentage or dollar amount of the disregard
 - One state reported increasing the duration of the earnings disregard from 2 to 6 months

Changes in Earnings Supplements and Financial Incentives

- Monthly earnings supplement: 18 states (7 implemented; 11 considering)
- Monthly earnings supplement for working Food Stamp families: 5 states (1 implemented; 4 considering)
- Non-assistance employment/retention bonuses: 8 states (4 implemented; 4 considering)
- Work expense allowances: 6 states (4 implemented; 2 considering)

Characteristics of Monthly Earnings Supplements

- Benefit amount: Ranging from \$10 to \$150 per month
- Duration of benefit: Ranging from 3 month maximum to no time limit on receipt
- Sample eligibility requirements:
 - Certain threshold of verified employment hours
 - Are TANF-ineligible due to level of earnings

Changes in Service Offerings: New Work and Career Advancement Initiatives

- New work promotion/career advancement initiatives: 24 states (11 implemented; 13 considering)
- These include increased focus on partnerships with:
 - Other public agencies and the WIBs
 - Community college system and technical schools
 - Employers

Fiscal Considerations—Solely State-Funded (SSF) Programs

- 20 states have already implemented and 14 more are considering the creation of a solely state-funded, non-MOE program
- Sample populations served in SSFs:
 - Two-parent families: 24 states
 - Newly-entered refugees
 - Recipients enrolled in post-secondary education programs

Changes in Availability of Child Care

- **Waiting list:** 4 states started a waiting list or froze an existing waiting list
- **Income threshold for eligibility:** 5 states raised; 3 states lowered
- **Co-pay:** 4 states increased; 5 states decreased
- **Other changes:** increased state money for child care; deferred increases in reimbursement rates; increased rates paid to providers

Fiscal Considerations: How States are Budgeting FY 2007 TANF/MOE Funds Compared to 2006

Budget Category	Increase	Decrease	Same Level	Don't Know
TANF work-related activities	23 states	2 states	21 states	2 states
Cash assistance	7 states	19 states	20 states	3 states
Services for non-TANF families	16 states	1 state	19 states	13 states
Child care for cash assistance families	10 states	4 states	30 states	5 states
Child care for non-TANF families	14 states	2 states	25 states	8 states
Information systems	11 states	2 states	28 states	8 states

Fiscal Considerations: MOE Spending

- 37 states reported spending at 80 percent MOE for federal fiscal year (FFY) 2007
- 26 states reported spending at 80 percent MOE for federal fiscal year (FFY) 2006
- 31 states planned to claim “excess” MOE in FFY 2007 for a caseload reduction credit in FFY 2008

Miscellaneous State Comments

1. “We feel micro-managed, that [the] rules are prescriptive and reflect an unfamiliarity with the reality of day to day casework .”
2. “The federal mandate of choosing 10 holidays does not take into account or give any consideration to reservation practices/policies in granting holiday leave. The excused absence interpretation was changed from hours to days which is a hardship to states .”

Miscellaneous State Comments

3. Federal technical assistance has been almost non-existent.”
4. “The population we have left receiving cash assistance are caretaker relatives (not work eligible individuals) and individuals who are clearly going to be SSI eligible and cannot or are not appropriate to participate in countable activities. Therefore, we anticipate that without a caseload reduction credit, we will fail to reach the 50% all family rate.”
5. “System issues have been major, TANF Data Report and also capturing verified work hours.”

Conclusions

- States' open-ended responses suggest that certain changes, especially those pertaining to exemptions and definitions of work activities, stem directly from changes initiated under DRA and amended regulations.
- Some states also expressed concern about work verification and associated costs.
- States are working to balance the demands of work participation rates with the desire to ensure positive outcomes for families