



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

Request for Information: Temporary Assistance for Needy Families (TANF)

Implementation of Sections 302 and 304 of the Fiscal Responsibility Act of 2023

AGENCY: Office of Family Assistance, Administration for Children and Families, U.S. Department of Health and Human Services.

ACTION: Request for information (RFI).

SUMMARY: The Administration for Children and Families (ACF), in the U.S. Department of Health and Human Services (HHS), invites public comments on the possibilities for design and implementation of the new pilot program and work outcomes measures of the Fiscal Responsibility Act of 2023 (FRA), in the Temporary Assistance for Needy Families (TANF) program. The FRA requires HHS to carry out a pilot program for up to five states to promote accountability by measuring employment and earnings outcomes as well as additional indicators of family stability and well-being for TANF recipients. In addition, it requires all states to report the information necessary to calculate certain statutory work outcomes measures. ACF seeks input from partners to help understand some of the options, opportunities, and potential challenges associated with the development and implementation of the pilot program and the reporting of new statutory work outcomes measures applicable to all states.

DATES: Comments are due [INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Submit responses to TANFquestions@acf.hhs.gov. Please include “TANF FRA” in the subject line of the email.

Guidance for Submitting Comments

- To ensure that your comments are clearly understood and properly contextualized, please identify the specific question or section of this notice that your comments address, as well as your experience or role that informs your response.
- You are encouraged to comment on any issues or concerns you believe are relevant or appropriate for our consideration and to submit written data, facts, and views addressing this subject, including but not limited to the questions below.
- You do not need to answer all questions listed – only the question(s) for which you have relevant information. The written RFI response should address ONLY the topics for which the respondent has knowledge or expertise.
- Wherever possible, please provide credible data and specific examples to support your views. If you cite academic or other studies, they should be publicly available to be considered.
- All submissions are public records and may be published on www.regulations.gov. Do NOT submit sensitive, confidential, or personally identifiable information.

SUPPLEMENTARY INFORMATION:

1.0 Background

1.1 Pilot Program

Section 302 of the FRA authorizes a pilot program under which HHS may select up to five states to test alternative performance metrics in the TANF program. Section 302 of the FRA provides that for the duration of the pilot projects, the work participation requirements shall not apply to the pilot states and instead, participating states will comply with agreed upon performance measures and benchmarks. In lieu of the work participation rate (WPR), state performance will be measured by (A) the percentage of work-eligible individuals who are employed during the 2nd quarter after exiting the TANF program; (B) the level of earnings of those individuals in the 2nd and 4th quarters after

exit; and (C) other indicators of family stability and well-being as established by HHS. States that fail to meet agreed upon performance benchmarks for these measures will be required to enter into a plan with HHS to either achieve the level of performance or adjust the benchmarks. In the event neither is accomplished, the state will no longer be permitted to participate in the pilot. The pilots will be in effect for six years, with the first year being used to establish baseline data.

Since TANF was enacted in 1996, the chief measure of program performance has been the requirement that states meet WPR targets. The WPR measure the extent to which states engage families receiving TANF cash assistance in certain work activities for a specified number of hours each week each month during a fiscal year. A state must meet an overall (or “all families”) and a two-parent work participation requirement or face a potential financial penalty. The WPR targets are 50 percent for all families and 90 percent for two-parent families, but a state’s individual targets equal the statutory rates adjusted downward by the number of percentage points by which the caseload has fallen since a base year for reasons other than changes in eligibility rules.

Over time, states, members of Congress, and others have advocated for moving TANF beyond solely relying on the WPR as a means of defining the success of states in supporting TANF recipients in entering employment and gaining the skills they need for economic stability. Many have also noted that the WPR is a process measure rather than an outcome measure, as it measures only a state’s ability to engage individuals in specified countable activities that lack research to support their connection to long term employment outcomes.¹

While this performance standard structure has remained largely unchanged since 1996, in recent years there has been an increasing interest in alternative methods of

¹ See <https://www.acf.hhs.gov/opre/report/measuring-employment-outcomes-tanf>

measuring state performance in TANF and other human services programs.² The FRA authorized pilots to test alternatives to the WPR.

As an alternative to the WPR, states participating in the pilots would be measured against negotiated benchmarks for work outcomes and other indicators of family stability and well-being. The pilots will provide an important opportunity for selected states to demonstrate different approaches to measuring their performance in assisting families with low incomes. We encourage states to think about strategies for promoting and measuring economic success and family stabilization. ACF is interested in learning more about the opportunities that the pilot program presents for states. ACF is committed to a successful pilot program, one that results in useful information for policymakers and leads to a more effective TANF program that further benefits American families.

1.2 Work Outcomes Measures

Section 304 of the FRA requires all states to collect and submit “the information necessary” to determine four indicators of performance. These are:

- *Employment in the Second Quarter after Exit:* The percentage of individuals who were work-eligible individuals as of the time of exit from the program, who are in unsubsidized employment during the second quarter after the exit;
- *Employment Retention:* The percentage of individuals who were work-eligible individuals who were in unsubsidized employment in the second quarter after the exit, who are also in unsubsidized employment during the fourth quarter after the exit;
- *Median Earnings:* The median earnings of individuals who were work-eligible individuals as of the time of exit from the program, who are in unsubsidized employment during the second quarter after the exit; and,

² See p.19 <https://crsreports.congress.gov/product/pdf/R/R45966>;
<https://www.acf.hhs.gov/opre/report/measuring-employment-outcomes-tanf>

- *High School Attainment:* The percentage of individuals who have not attained 24 years of age, are attending high school or enrolled in an equivalency program, and are work-eligible individuals or were work-eligible individuals as of the time of exit from the program, who obtain a high school degree or its recognized equivalent while receiving assistance under the State program funded under this part or within 1 year after the exit.

Section 304 specifies that to ensure nationwide comparability of data, HHS shall issue regulations governing reporting of the performance indicators after it consults with the Secretary of Labor and with states. This RFI is one of the ways HHS is consulting with states.

The above measures are similar to some of the performance accountability measures required under the Workforce Innovation and Opportunity Act of 2014 (WIOA).³ The FRA does not specify which data sources should be used for the above measures. For the first three measures, ACF is considering requiring states to submit Social Security Numbers (SSN) of all work-eligible individuals who left TANF in a given quarter and ACF would then match those SSNs with quarterly wage records in the National Directory of New Hires (NDNH).⁴ ACF would then use the matched results to compute the first three work outcomes measures on behalf of states. This approach would allow for standardized measures and would not require states to initiate new data sharing agreements at the state level. ACF is interested in learning about alternative data sources, such as unemployment insurance quarterly wage records contained in the State Wage Interchange System (SWIS),⁵ as well as data sources that could be used to supplement standardized measures. Under WIOA, states are allowed to submit “other information as is necessary to measure the progress of those participants through methods other than

³ See <https://www.dol.gov/agencies/eta/performance/performance-indicators>

⁴ See <https://www.acf.hhs.gov/css/training-technical-assistance/overview-national-directory-new-hires>

⁵ See <https://www.dol.gov/agencies/eta/performance/swis>

quarterly wage record information” if quarterly wage records are not available for a participant.⁶ ACF has matched individual TANF case records with NDNH wage records since FY 2002 for the High Performance Bonus measures, and later for performance measures that are reported as part of the Congressional Budget Justification,⁷ but ACF has not calculated a high school attainment measure and so is looking for information about potential data sources and key considerations. Other areas include how to operationally define TANF exiters, which are defined in the statute as those who “cease[] to receive assistance under the program funded by this part.” However, many studies have defined an “exit” from TANF in different ways, taking churn into account; TANF “leavers” studies from the early 2000s often defined a “leaver” as someone who has left cash assistance for at least two months, while WIOA defines a “common exit” as a participant not receiving Department of Labor-administered services for at least 90 days.⁸

These work outcomes measures are intended to assist federal – and state – policymakers in better understanding the effectiveness of TANF programs in promoting successful employment and credential attainment. As with the pilots, the work outcomes measures may inform future improvements to the TANF program. ACF is interested in hearing from states their thoughts on operationalizing these new measures including the potential administrative cost and burden involved.

2.0 Request for Information

Through this RFI, ACF is soliciting input and information from a broad array of stakeholders on how best to design and implement the FRA pilot program and the new work outcomes measures.

⁶ See https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEGL/2017/TEGL_26-16_Acc.pdf

⁷ See TANF-ACF-PI-2002-01 (FY 2002 TANF High Performance Bonus (HPB): New Reporting Requirements) <https://www.acf.hhs.gov/ofa/policy-guidance/tanf-acf-pi-2002-01-fy-2002-tanf-high-performance-bonus-hpb-new-reporting>; FY 2024 Congressional Budget Justification, p. 338 <https://www.acf.hhs.gov/sites/default/files/documents/olab/fy-2024-congressional-justification.pdf>

⁸ See <https://aspe.hhs.gov/tanf-leavers-applicants-caseload-studies> and <https://www.dol.gov/agencies/eta/performance/definitions>

This RFI is for information and planning purposes only and should not be construed as a solicitation or as an obligation on the part of ACF or HHS.

We ask respondents to address the following questions. You do not need to address every question and should focus on those for which you have relevant expertise or experience. In your response, please provide a brief description of yourself or your organization.

3.0 Key Questions – Pilot Program

3.1 What are the most important criteria a state should meet for selection into the pilot program, and why? Are there a minimum set of requirements a state should meet to be eligible for a pilot? If so, which ones? Are there aspects of state TANF programs that may increase their likelihood of success as a pilot? Are there aspects of state TANF programs that may impede their likelihood of success as a pilot? For example, if the benefit amounts or caseloads are low, full family sanction and family cap policies exist, etc. Is there particular past experience or past performance achievement that might be predictive of states' ability to successfully carry out a pilot?

3.2 What factors might influence a state's decision whether to pursue participation in the pilot program?

3.3 What technical assistance or supports would be helpful for states and service providers in designing and implementing pilots? What obstacles do you foresee and how can ACF provide assistance to overcome or manage them?

3.4 What indicators of family stability and well-being, including alternative measures related to employment, for families participating in TANF should we consider measuring as part of the pilot? For example, should pilots include measures related to family poverty, interactions with the child welfare system, or other indicators related to child well-being? Please explain your reasoning. What data source(s) would be of most utility in tracking your recommended indicators? For example, if a state is interested in

measuring job quality as an indicator of family well-being, would a state be able to measure that by tracking jobs with benefits such as a paid leave or employer contribution retirement plans? Should family income be included as a measure of family stability and well-being and, if so, what are the important components, who should be included, and what would be the most reliable and practical sources of data? Should any indicators be measured for all low-income families, irrespective of TANF participation, to evaluate whether a state's TANF program is successfully serving these families (e.g., the share of families living in deep poverty, taking into account all sources of income)?

3.5 What factors (e.g., demographic, economic, policy, programmatic) should be considered when establishing performance benchmarks? In your experience, what are the most important factors and variables to take into consideration when developing statistical adjustment models for performance benchmarks?

3.6 What information should be collected about the pilots to help evaluate and explain their level of success? Is there information HHS should collect to help determine how a successful pilot program may be replicated in a different state? Should the pilot program undergo a formal evaluation? If so, what form should it take? Please provide your reasoning.

3.7 At what point(s) in the continuum of participation in a program should work and family well-being indicators be measured (e.g., while a family is still receiving assistance, upon exit, two quarters after exit, a year after exit)?

3.8 What characteristics among pilot states (e.g., programmatic, geographic, economic, demographic) would be most helpful in providing useful and scalable results for TANF administrators and policymakers? What level of diversity among pilot sites (e.g., geographic, size, location) would be most helpful in providing relevant results across states?

3.9 In what ways should equity be considered when implementing a pilot? Are there tools or resources needed to promote equity in pilot design, implementation, and evaluation? What factors or data points would you consider important to ensuring equity (avoiding disparate impacts) in the implementation of work and family well-being measures as part of the pilot? How do we ensure that the individual experiences of families that receive TANF cash assistance are considered in the pilot design, implementation, and evaluation?

3.10 Are there similar past pilot efforts (federal, state, local) from which HHS should draw lessons learned in setting up this pilot project?

3.11 Are there any other questions or issues related to the pilots for which you wish to provide comments?

4.0 Key Questions – Work Outcomes Measures

4.1 In your experience, what data sources on employment and earnings are most accurate and practical for work outcomes measures similar to those required by the FRA? What do you see as advantages and limitations of matching with the National Directory of New Hires (NDNH) at the federal level, as compared to the State Wage Interchange System (SWIS) or other alternatives? We are particularly interested in understanding the costs, timing, administrative burden, and reliability of different data sources.

4.2 If given the opportunity, do you believe state agencies would have the interest and capacity to voluntarily submit supplemental wage information (similar to WIOA⁹) in addition to information needed for a match with the NDNH? If so, would states be more likely to submit supplemental individual-level data or aggregated outcomes measures using an alternative data source? We are interested in the rationale behind the preferred approach.

⁹ See <https://www.dol.gov/agencies/eta/advisories/training-and-employment-guidance-letter-no-26-16>

4.3 In your experience, what data sources are most accurate and practical for high school degree or secondary school diploma equivalency attainment? Is it feasible to reliably determine high school completion or secondary school diploma equivalency attainment for current and former TANF recipients using survey data? Please share the nature of your experience.

4.4 When thinking about exit from the TANF program, what are the most important considerations? In what manner, if any, should the issue of “churn” be addressed? (That is, those cases that cycle off for short periods of time due to causes such as administrative errors, delays in redetermination, or sanctions.)

4.5 We are interested in understanding the timelines involved in reliably reporting and calculating outcome measures. What operational issues affect the timing and availability of data for the work outcomes measures, including TANF caseload, employment and earnings, and education data? For example, what is the earliest turnaround time for reliably reporting that a TANF case has closed? What are the timelines involved in matching and working with employment and earnings data and education data?

4.6 What factors (e.g., demographic, economic, policy, programmatic) should be considered for presenting the work outcomes measures in context? Are there variables such as state economic conditions that may impact state outcomes and are outside a state TANF program’s control?

4.7 In what ways should equity be considered when implementing work outcome measures? What are the advantages of and/or possible difficulties associated with reporting data disaggregated by race, ethnicity, gender, age, disability, other demographic characteristics, or geography to enable equity analyses around work outcomes?¹⁰

¹⁰ See <https://www.whitehouse.gov/wp-content/uploads/2022/04/eo13985-vision-for-equitable-data.pdf>

4.8 What technical assistance or supports would be helpful for collecting data for work outcomes? What obstacles do you foresee and how can ACF and its partners provide assistance to overcome or manage those barriers?

4.9 Please describe the characteristics of successful partnerships between the public workforce system and the TANF system that support the collection of data for the work outcomes measures required by the FRA?

4.10 Please describe the specific steps for a state to begin collecting and reporting data and their estimated duration. For example, please estimate the timeframe for system changes to generate a list of SSNs of work-eligible individuals who left TANF in a given quarter.

4.11 Are there any other questions or issues related to the work outcomes measures for which you wish to provide comments?

4.12 HHS has determined that tribes are NOT required to report work outcomes measures as laid out in the Fiscal Responsibility Act. However, OFA is committed to supporting Tribal TANF programs that wish to voluntarily measure work outcomes for their caseloads. As we explore this possibility, what factors do we need to better understand? What training or technical assistance could support Tribal TANF programs interested in measuring work outcomes?

Authority: Fiscal Responsibility Act of 2023.

Ann Flagg,

Director,

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