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## ABSTRACT

The various parties interested in reauthorization of the Temporary Assistance for Needy Families (TANF) program are considering a number of issues related to the program's work requirements. The following policy questions have sparked particular debate: (1) the impact that allowing additional activities to count toward federal participation rates would have on TANF caseloads and the welfare-to-work transition; (2) whether the TANF program contains sufficient incentives to encourage states to increase participation in work-related activities and changes that could promote increased participation in work-related activities; (3) whether the separate participation rate for two-parent families is a realistic target rate for engaging those families in work activities; and (4) whether work participation rates are adequate measures for evaluating state performance in moving TANF recipients into employment. The current work requirements for TANF recipients illustrate three different options available to states. The National Evaluation of Welfare-to-Work Strategies provides a research perspective on work requirements. In addition, various organizations representing a wide range of political interests have forwarded positions, recommendations, and proposals addressing work requirements and TANF reauthorization. Those organizations include the American Federation of Labor-Congress of Industrial Organizations, American Public Human Services Association, the Center for Law and Social Policy, and the Committee for Economic Development. (MN)

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# Reauthorization Notes

Vol. 2, No. 3

February 2002

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Nanette Relave

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## TANF Reauthorization Resources



# REAUTHORIZATION NOTES

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## TANF REAUTHORIZATION AND WORK REQUIREMENTS

Nanette Relave

### *INTRODUCTION*

One goal of the Temporary Assistance for Needy Families (TANF) program is to end needy parents' dependency on government benefits by promoting job preparation and work. The federal welfare reform law—the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA)—emphasizes a focus on work. It does so by establishing work activity participation rates, limiting the activities that count toward these rates, designating penalties for states that fail to meet target rates, and offering incentives for high performance in achieving employment outcomes. Time limits also reinforce the importance of helping recipients move from welfare to work. States have generally embraced a focus on work through state programs, sanctions, incentives, and requirements.

The Family Support Act of 1988 established participation requirements for the Job Opportunities and Basic Skills Training (JOBS) program. PRWORA strengthened participation requirements to encourage states to achieve greater participation in welfare-to-work activities. The welfare reform law established participation rates—one for all families and another for two-parent families—that states must meet or face a reduction in their TANF block grant. The participation rate increased for all families from 25 percent in 1997 to 50 percent in 2002; the rate for two-parent families increased from 75 percent in 1997 to 90 percent in 1999 and beyond.

To count toward the federal participation rates, recipients must spend a minimum number of hours per week in one or more allowable activities. PRWORA narrows the types of activities allowed, compared with JOBS, emphasizing work-focused activities and limiting opportunities for education and training to count toward the participation rates. The legislation also broadens who is counted in the denominator of the participation rates to include most TANF recipients.

Yet the caseload reduction credit has lessened the impact of federal participation requirements. This credit reduces the required participation rates based on caseload declines, resulting in adjusted rates that may be significantly lower than the targeted participation rates. States also have some flexibility regarding work requirements. For example, they can decide how soon recipients must participate in activities and what categories of recipients are exempt from the work requirements. In addition, states can allow participation in activities that would otherwise not count toward the federal requirements.

Other work-related PRWORA provisions include a requirement for TANF recipients to engage in

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work once they have received assistance for 24 months. States can define work for the purposes of this requirement. They also are required to sanction TANF recipients who refuse to participate in work activities. States cannot, however, sanction single custodial parents who have a child under age six but who are unable to obtain childcare.

Although there is continuing support for a work-focused welfare system, the TANF reauthorization debate will likely include calls to reevaluate the participation requirements and related provisions in the federal law. This *Reauthorization Note* examines work requirement issues being considered by parties interested in TANF reauthorization, the types of activities that count toward the participation rates, the level of participation in welfare-to-work activities, the separate two-parent rate, and the use of participation rates to evaluate state performance. For more information on federal and state work requirements, see the Welfare Information Network (WIN) web page on work requirements and TANF reauthorization at <http://www.welfareinfo.org/reauthworkreq.htm>.

### ***POLICY QUESTIONS***

**How would TANF caseloads and the welfare-to-work transition be affected by allowing additional activities to count toward the federal work participation rates?** Although states do not have to limit allowable activities to those that count toward the federal participation rates, the federal law has had an important signaling effect on state and county TANF programs. Many programs adopted a work-first orientation that emphasizes activities such as job search, job readiness, and rapid job placement. Some propose to expand the activities that count toward the federal participation rates during TANF reauthorization. They argue that the current law restricts state flexibility, limits opportunities to participate in education and training activities, does not take into account the needs of recipients with barriers to employment, and makes it difficult to achieve the participation rates if jobs are less available.

The role of education and training in welfare reform has received a lot of attention. Proponents of modifying the allowable activities so education and training activities count more toward the federal participation rates suggest that such activities can provide a path to better jobs and self-sufficiency for some TANF recipients. For more information, see the *Reauthorization Note* "TANF Reauthorization and Postsecondary Education Options for Welfare Recipients," at <http://www.welfareinfo.org/tanfauth-postsecedureauthorization.htm>.

Engaging recipients with barriers to employment in employment or work activities has emerged as a significant issue in welfare reform. Some proponents of expanding the allowable activities argue that activities mitigating employment barriers, such as literacy services or mental health and substance abuse counseling, contribute significantly to making recipients job ready and should count toward participation rates. They highlight the importance of individualized service planning for hard-to-employ recipients, and some recommend that states be allowed to count activities identified in individual employment plans toward the participation rates. In addition, proponents suggest that expanding the allowable activities could encourage states and counties to direct greater resources and effort toward recipients with employment barriers.

Opponents of expanding the activities that count toward the participation rates express concern that this move will dilute the impact of work requirements and the work focus in the TANF program. Further, TANF programs are charged with helping recipients make the transition from welfare to work before they reach their time limit on cash assistance, underscoring the importance of engaging recipients in activities that directly prepare and connect them to employment.

Opponents also assert that states have sufficient flexibility to engage recipients in education, training, and other activities. For example, programs can offer a combination of activities. It is left to states to define work activities for programmatic purposes, which provides some discretion in program design. The caseload reduction credit, by lowering participation rates, has afforded states the opportunity to engage recipients in additional activities. States can also use state funds to support participation in additional activities such as postsecondary education.

Research on work activities can inform the discussion on allowable activities. (See the “Overview of Related Research” section of this note for more information.) Expanding the activities that count toward the participation rates and easing the limits on how much education and training count could impact TANF caseloads in the short run, particularly if activities retain recipients on the TANF rolls for longer periods. If activities lead to greater self-sufficiency, however, this could reduce the cycling on and off the welfare rolls.

**Does TANF contain sufficient incentives to encourage states to increase participation in work-related activities? What changes could promote increased participation in work-related activities and how might these impact state and county TANF programs?** Some of the parties interested in welfare reform and TANF reauthorization are concerned that participation in work-related activities is too low. This concern may reflect the belief that work or participation in work activities is the reciprocal obligation of those receiving assistance and that participation should be high. There is also fear that states are not doing enough to engage their caseloads, including the hard to serve, in job preparation or work activities that will help recipients move toward self-sufficiency before their benefit period expires.

Data on participation rates and activities, available in the TANF annual reports to Congress, feed these concerns (see Administration for Children and Families, U.S. Department of Health and Human Services, at <http://www.acf.dhhs.gov/programs/opre/tanfindex.htm>). For example, in fiscal 1999 about 58 percent of adult TANF recipients were not reported as participating in activities that counted toward the federal participation requirements. In addition, most of those whose participation did count were in unsubsidized employment, generating concerns that some states may not be developing different work programs. This data does not reflect all participation, because some recipients are engaged in activities that states allow but that do not count toward the federal requirements and some recipients participate in activities for fewer hours than are required to count toward the federal requirements. Some states have achieved high levels of participation even with the caseload reduction credit. Newly released data on fiscal 2000 work participation rates is available from the Administration for Children and Families at <http://www.acf.dhhs.gov/programs/opre/particip/index.htm#participation>. The Urban Institute’s National Survey of America’s Families also includes information on work activities (visit <http://newfederalism.urban.org/>).

Concerns about participation levels and program development have given rise to the following recommendations:

- increase the work participation rate for all families;
- require or provide incentives to states to maintain a certain percentage of the caseload in work experience programs; and
- provide states with incentives and support to develop innovative work programs.

Given that the caseload reduction credit is lowering participation rates, some recommend eliminat-

ing this credit. Others propose replacing it with a credit that rewards states for moving recipients into employment rather than for caseload declines that may not be related to employment.

Opponents of increasing participation rates argue that more stringent rates could reduce opportunities to provide education and training and to serve the hard to employ, especially if allowable activities are not expanded. Other organizations oppose requiring a percentage of the caseload to participate in work experience programs, preferring to encourage the development of publicly funded jobs programs.

Discussions on strengthening work requirements need to consider what activities would count toward meeting the requirements. More universal participation requirements may necessitate a broader range of activities in order to engage recipients with different strengths and needs. Increased participation requirements are likely to pose challenges for states and counties, such as the development of larger-scale work programs and other activities, greater demands on staff and administrative systems, and additional costs associated with support services for recipients.

Achieving higher levels of participation is difficult in all mandatory programs, and it takes multiple policy and program strategies. Many of the tools for increasing participation rest with states and counties, such as reducing gaps between activities, improving tracking systems, providing adequate support services, using financial incentives, developing services for those with barriers to employment, and using sanctions to enforce participation. For information on these and other tools, see Marie Cohen, *Mandatory Work-Related Activities for Welfare Recipients: The Next Step in Welfare Reform* (College Park, Md.: University of Maryland, School of Public Affairs, Welfare Reform Academy, October 2001), at <http://www.welfareacademy.org/pubs/mandatorywork.pdf>; and Gayle Hamilton and Susan Scrivener, *Promoting Participation: How to Increase Involvement in Welfare-to-Work Activities* (New York, N.Y.: Manpower Demonstration Research Corporation, September 1999), at <http://www.mdrc.org/Reports99/PromotingParticipation.pdf>.

**Is the separate participation rate for two-parent families a realistic target rate for engaging these families in work activities? Has service delivery to two-parent families been affected?** States have been successful in meeting the all-families work participation rate. Yet not all states subject to the separate two-parent rate have been able to meet the higher rate, even with the caseload reduction credit. In fiscal 2000, of the 34 states and U.S. territories subject to a separate two-parent families rate, seven states and Guam did not meet this rate.

Some fear that imposing a higher rate on states for two-parent participation in work activities could create a disincentive to serve two-parent families in the TANF program. Several states have already moved their two-parent families into separate state programs that are not subject to the work participation rates. The Administration for Children and Families, in *Characteristics and Financial Circumstance of TANF Recipients FY 1999*, reported that 15 states did not include two-parent family cases in the TANF data reporting system because they placed these families in separate state programs (see <http://www.acf.dhhs.gov/programs/opre/characteristics/fy99/analysis.htm>). More information will be available in the fourth TANF annual report to Congress.

Early in the welfare reform process, it was assumed that it would be easier for two parents to meet the participation requirements. However, some two-parent families, especially those on welfare for longer periods, have significant barriers to employment that make it difficult to meet these requirements. States did achieve a two-parent work participation rate of nearly 55 percent in fiscal 1999.

Some of the parties interested in TANF reauthorization are recommending that Congress eliminate the separate work participation rate for two-parent families. They are concerned about the equity of having separate rates, about the possibility of discouraging family formation, and about the potential for discouraging the participation of two-parent families in TANF. In addition, they fear that serving two-parent families in separate state programs could put these families at risk of losing benefits and services if more pressing funding needs arise. Opponents of the separate rate argue that using the same rates for single-parent and two-parent families could facilitate serving two-parent families in the TANF program.

**Are work participation rates adequate measures for evaluating state performance in moving TANF recipients into employment? What other measures could be used to evaluate state performance in this area?** Participation rates are used to evaluate state performance in moving TANF recipients into the workforce. Participation rates are process measures in contrast to outcome measures, because they reflect programmatic activities rather than focus on program goals. There is not a clear-cut distinction between these types of measures, however. For example, the participation rates in TANF measure participation in unsubsidized employment, an important milestone in achieving the TANF goal of ending welfare dependency by promoting work. The TANF program also includes outcome-focused, high-performance bonuses for which states can compete. The work measures for the bonuses include job placement; job success, as measured by retention and earnings; biggest improvement in job placement; and biggest improvement in job success.

Some parties interested in TANF reauthorization would like to see a greater emphasis on outcome measures, with such measures supplementing or replacing participation rates. Proponents of outcome measures argue that the current law emphasizes caseload reduction and participation in work activities without a sufficient focus on outcomes and goals, such as job retention, earnings growth, job quality, and poverty reduction. They suggest that outcome measures can be used to promote accountability for progress toward goals and continuous improvement.

Proponents of outcome measures suggest the following changes:

- replace, at state option, the current work participation rates with measures of job placement, job retention, and earnings progression;
- use current high-performance bonus criteria (i.e., job entry rates, job retention rates, and earnings gains) as a part of the baseline performance criteria for all states and encourage states to develop systems that coordinate these with similar performance measures under the Workforce Investment Act; and
- replace the current discretionary high-performance bonus pool with a new, generously funded bonus system dedicated to rewarding states for their achievements in job placement and job success.

The use of outcome measures can, however, pose challenges for federal and state agencies. These include reaching consensus on the key goals of the TANF program, developing systems to collect and report data, and addressing the need to create a level playing field among and within states. Attaching penalties to outcome measures also involves some risk for states because some factors in recipients' lives that affect outcomes are beyond the control of public agencies. For more information on these issues and the strengths and limitations of different performance measures, see U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation, *Report on Alternative Outcome Measures: Temporary Assistance for Needy Families (TANF) Block Grant* (Washington, D.C., December

2000), at <http://aspe.hhs.gov/hsp/alt-outcomes00/index.htm>. The report provides a framework for considering the use of outcome measures in conjunction with, or in place of, participation rates.

### ***CURRENT PRACTICE AT THE STATE LEVEL***

The Division of Public Assistance (DPA) in the Alaska Department of Health and Social Services developed an outcome-based performance system for the state's TANF program. Desired program outcomes, such as increasing the percentage of clients who obtain paid employment, increasing the percentage of current and former clients who retain paid employment, and increasing the percentage of clients obtaining high-quality jobs relate to the DPA objective of clients reaching their highest level of economic self-sufficiency. Measures such as rates of job entry and job retention, percentage of clients with earnings that show wage progression, and percentage of clients with hours of paid employment greater than an average of 30 hours per week are used to evaluate progress toward outcomes and objectives. DPA establishes baseline measures and designates target goals that include the federal work participation rates. Developing an outcome-based performance measurement system was a rigorous process, but this system guides DPA staff and contractor activities toward reaching desired outcomes for clients. For more information, contact Val Horner, performance team, Division of Public Assistance, Alaska Department of Health and Social Services, at 907/465-4952.

Although Delaware has a work-first welfare reform program, recipients can meet the work requirement through participation in education or training. Recipients who have full-time student status and are in good standing at an accredited or approved school program can meet the 20 hours per week work requirement by participating in secondary education, postsecondary education up to the baccalaureate level, adult basic education, or vocational training. (The 20-hour requirement is allowed under a federal waiver.) If the education or training activities are for less than 20 hours per week, the recipient must also engage in a work activity to reach the hourly requirement. The work requirement can be met through work-study, internships, externships, or work as a research assistant. For more information, contact Nina Licht, TANF policy administrator, Division of Social Services, Delaware Department of Health and Social Services, at 302/577-4900.

The Wisconsin TANF program—Wisconsin Works (W-2)—limits exemptions to participation in work activities but provides different activities to engage recipients with varying levels of job readiness. W-2 has four levels of employment and training options: unsubsidized employment, trial jobs (subsidized employment), community service jobs, and W-2 transition. Community service jobs (CSJ) are developed for recipients who lack basic skills and work experience. CSJ participants receive a monthly grant of \$673 for engaging in up to 30 hours per week in work training activities and up to 10 hours per week in education or training. W-2 transition is for recipients with more severe barriers to employment. These participants receive a monthly grant of \$628 for participation in up to 28 hours per week of work training or other employment-related activities and up to 12 hours per week in education and training. Employment-related activities include activities such as substance abuse and mental health treatment if these are necessary for obtaining employment. More information on W-2 is available on the Wisconsin Department of Workforce Development's web site at <http://www.dwd.state.wi.us/desw2/>.

### ***OVERVIEW OF RELATED RESEARCH***

The National Evaluation of Welfare-to-Work Strategies (NEWWS) provides a research perspective on work requirements. For publications, visit the NEWWS home page at <http://aspe.hhs.gov/hsp/NEWWS/index.htm>. Using NEWWS data to assess the effects of participation mandates, research-

ers found that requirements to participate in mandatory welfare-to-work programs can increase employment and earnings and reduce welfare income, independent of actual participation in the welfare-to-work program. They also found that response to a mandate increases with the strength of enforcement and the level of penalties for noncompliance. For more information, see Jean Tansey Knab, Johannes Bos, Daniel Friedlander, and Joanna Weissman, *Do Mandates Matter? The Effects of a Mandate to Enter a Welfare-to-Work Program* (New York, N.Y.: Manpower Demonstration Research Corporation, November 2000), at <http://www.mdrc.org/Reports2001/NEWWS-IMtoJOBS/NEWWS-IMtoJOBS.htm>.

NEWWS and other welfare reform studies have examined the effects of different welfare-to-work activities. NEWWS compared the work-first and education approaches. Employment-focused programs generally had larger effects on employment, earnings, and welfare receipt than did education-focused programs. Yet the research suggests that a "mixed" approach blending employment search and education or training may be the most effective. For more information, see Gayle Hamilton et al., *How Effective Are Different Welfare-to-Work Approaches? Five-Year Adult and Child Impacts for Eleven Programs* (New York, N.Y.: Manpower Demonstration Research Corporation, November 2001), at <http://aspe.hhs.gov/hsp/NEWWS/5yr-11prog01/index.htm>. The benefits of a mixed approach also hold for more disadvantaged recipients [see Charles Michalopoulos, Christine Schwartz, and Diana Adams-Ciardullo, *What Works Best for Whom: Impacts of 20 Welfare-to-Work Programs by Subgroup* (New York, N.Y.: Manpower Demonstration Research Corporation, August 2000), at <http://aspe.hhs.gov/hsp/NEWWS/synthesis-es00/index.htm>]. For more information on recipients with barriers to employment, see Sheila Zedlewski, *Work Activity and Obstacles to Work among TANF Recipients* (Washington, D.C.: The Urban Institute, September 1999), at [http://newfederalism.urban.org/pdf/anf\\_b2.pdf](http://newfederalism.urban.org/pdf/anf_b2.pdf).

Participation patterns and levels of participation in the NEWWS sites have shed light on some of the factors affecting participation. Hamilton and Scrivener, using research findings from the NEWWS evaluation, describe limits to increasing participation and explore the relationship between welfare reform approaches and participation rates. For more information, see Gayle Hamilton and Susan Scrivener, *Promoting Participation: How to Increase Involvement in Welfare-to-Work Activities* (New York, N.Y.: Manpower Demonstration Research Corporation, September 1999), at <http://www.mdrc.org/Reports99/PromotingParticipation.pdf>. Also see Gayle Hamilton, *The JOBS Evaluation: Monthly Participation Rates in Three Sites and Factors Affecting Participation Levels in Welfare-to-Work Programs* (New York, N.Y.: Manpower Demonstration Research Corporation, 1995), at <http://aspe.hhs.gov/hsp/isp/jpartxs.htm>. Findings in this report include the following: the activities counted as "participation" and the people included in participation measures can greatly affect the measured rate and, as a result, influence the feasibility and cost of achieving a particular standard; a uniform national participation standard can impose a very varied burden on different states; and monthly participation measures or standards for any given month understate the full extent of AFDC recipients' participation or employment because these statuses are dynamic.

### ***INTERESTED PARTIES AND RESOURCES***

Various organizations have forwarded positions, recommendations, and proposals that address work requirements and TANF reauthorization. More information can be found in "Comments on TANF Reauthorization," available on the Administration for Children and Families' web site at <http://www.acf.dhhs.gov/HyperNews/get/tanfreaut/tanfreaut.html>.

*American Federation of Labor-Congress of Industrial Organizations (AFL-CIO)*. The AFL-CIO

recommends that publicly funded jobs programs should be encouraged and funded in the TANF reauthorization, efforts to expand workfare requirements should be resisted, and education and training should be an allowable work activity for TANF recipients. For more information, contact Charity Wilson at 202/637-5000; or see the AFL-CIO's comments on TANF reauthorization at <http://www.acf.dhhs.gov/HyperNews/get/tanfreet/tanfreet/517.html>.

**American Public Human Services Association (APHSA).** APHSA's *Crossroads: New Directions in Social Policy* identifies areas for reform in human service programs. According to APHSA's proposal to update TANF work measures, every TANF client should be engaged in a work preparation or employment activity. In addition to maintaining core work requirements, states should be afforded the flexibility to define work preparation in recognition of the changing characteristics of the populations served. States with different definitions of work under welfare waiver demonstration programs should be allowed to continue to apply these definitions. Two-parent families and single-parent families should be subject to the same work participation rates. Recognizing that each state is unique and is at different phases of welfare reform, at state option, measures of job placement, job retention, and earning progression could replace the current work participation rates. For more information, contact Elaine Ryan at 202/682-0100; or visit <http://www.aphsa.org/reauthor/reauthor.asp>.

**The Bush Administration.** The Administration released its detailed plan for TANF reauthorization in a document entitled *Working Toward Independence*. The Administration proposes to strengthen work rules to ensure that all welfare families are fully engaged in work and other meaningful activities that will lead to self-sufficiency. Proposals relating to work requirements include the following.

- Require welfare agencies to engage all families. The Administration proposes the creation of a new universal engagement requirement. States must engage all families in work and other constructive activities leading to self-sufficiency.
- Increase minimum participation rate requirements. The Administration proposes that in FY 2003, 50 percent of TANF families with one or more adults must be participating in a combination of work and other activities that lead to self-sufficiency as quickly as possible. The percentage will increase annually by 5 percentage points until it reaches 70 percent in 2007.
- Require families to participate 40 hours a week. This proposal requires that families be involved in constructive activities averaging 40 hours per week in order to count toward the required participation rate. States will have discretion to define approved activities, which must help achieve a TANF purpose.
- Increase work requirements. This proposal requires that families counted toward participation must also average at least 24 hours per week in work, including unsubsidized employment, subsidized private sector and public sector employment, on-the-job training, supervised work experience, and supervised community experience. This 24-hour work requirement is part of the 40-hour full participation requirement.
- Give work credit to families engaged in short-term substance abuse treatment, rehabilitation, and work-related training. This proposal allows states to count certain activities as meeting the work requirement for limited periods of time.
- Eliminate separate two-parent family participation rates.
- Phase out the caseload reduction credit.

For more information, see *Working Toward Independence* at <http://www.whitehouse.gov/news/>

[releases/2002/02/welfare-reform-announcement-book.html](http://releases/2002/02/welfare-reform-announcement-book.html).

**Center for Law and Social Policy (CLASP) and Center on Budget and Policy Priorities (CBPP).** CLASP and CBPP worked collaboratively on a special report series on TANF reauthorization. Their recommendations include the following.

- Give states the option to use employment outcome measures in lieu of the participation rate process measures in TANF.
- Replace the caseload reduction credit with a new employment credit that rewards states when families leave welfare for employment. Give extra credit to states that help families obtain higher-paying jobs.
- Revise TANF job search requirements to allow parents a reasonable period to look for the best available job.
- Encourage states to adopt the proven welfare-to-work strategy of providing a mix of employment and skill-upgrading services—rather than just job search—by removing the law’s current limits on vocational education training.
- Eliminate the separate work participation rate for two-parent families. The current rate may create a disincentive for states to serve such families.
- Give states broad flexibility to place recipients in activities such as mental health counseling that remove barriers to employment. Federal law should allow states to count recipients participating in such activities toward the federal work participation rates.
- Provide states with additional resources through a Career Ladders Fund to enable low-wage workers to upgrade skills and to demonstrate and replicate effective practices for serving them.

The special report series is available at <http://www.cbpp.org/tanfseries.htm>. For more information, contact Steve Savner, Julie Strawn, or Mark Greenberg of the Center for Law and Social Policy at 202/906-8000; and Heidi Goldberg or Sharon Parrott of the Center on Budget and Policy Priorities at 202/408-1080.

**Committee for Economic Development (CED).** *Welfare Reform and Beyond: Making Work Work* is the welfare reform policy statement of CED’s Research and Policy Committee. CED strongly endorses PRWORA’s mandate to replace a public assistance system that often discouraged personal responsibility and employment with one whose central premise is that most assistance recipients can and should work. The organization believes that the primary challenge to welfare reform is not the number of jobs that must be found for welfare recipients but the work readiness of the job seekers. CED urges states currently without job alternatives for TANF recipients to develop options that include publicly funded jobs for limited use during prosperity and expansion during recessions. This approach, the organization asserts, would reconcile the program’s work requirements with the nation’s commitment to support low-income families with children. CED’s policy statement is available at [http://www.ced.org/docs/report/report\\_welfare.pdf](http://www.ced.org/docs/report/report_welfare.pdf).

**National Association of Counties (NACo).** NACo’s Task Force on the Next Steps of Welfare Reform adopted policy recommendations on November 10, 2001. The recommendations that address work requirements are these.

- Allow states and counties to count individuals participating in activities related to employability plan requirements, such as treatment for drug abuse, toward their participation rates. Such activities should be considered an allowable work activity.

- Give states and counties the option to provide more than 12 months of vocational education to a higher percentage of the caseload in order to help families obtain the skills they need to enhance their ability to increase earnings over time.
- Give states and counties the option to allow more than 10 hours per week of basic skills and education training for single parents. Individuals in two-parent families should be allowed the same number of hours as single parents. States and counties should be allowed to count all of the hours toward their work participation rates.
- Use the same work participation rate for two-parent families and single-parent families.
- Require the same number of hours for two-parent families and single-parent families.

For more information, contact Marilina Sanz at 202/393-6226 or [msanz@naco.org](mailto:msanz@naco.org); or see <http://www.naco.org/leg/platform/httoc01.cfm>.

**National Conference of State Legislatures (NCSL).** NCSL's Executive Committee approved welfare reform reauthorization policy in February 2002. That policy is temporarily in effect pending final approval at NCSL's annual meeting in July 2002. NCSL believes that work is a critical component of welfare reform. The association supports the current requirement that after 24 months, all families should be engaged in work, as defined by the state. NCSL urges the following changes in the work participation rates:

- eliminate the two-parent work participation rate and have all families count in one consistent work participation requirement, which will help strengthen families and remove a barrier to marriage;
- eliminate the hourly threshold for who can count so that all recipient work effort can be counted;
- give states greater flexibility to define what activities count as work, especially the combination of activities such as work, job training and preparation, education and treatment for alcohol and other substance abuse, and mental illness, and activities to meet the requirements of a domestic violence plan;
- continue to give states credit for those who leave welfare; and
- allow states to include education leading to employment as part of the first 20 hours of work for the purpose of meeting state work participation rates.

For more information, contact Lee Posey or Sheri Steisel at 202/624-5400; or visit <http://www.ncsl.org/>.

**National Governors Association (NGA).** The governors approved a new policy on welfare reform that includes recommendations for reauthorization at NGA's 2002 Winter Meeting. Governors believe that the emphasis on work should continue to be paramount in welfare reform. Governors support the notion that TANF clients should be engaged in work preparation or employment activity but believe that states should have greater flexibility to define what counts as a work activity. As states work with families on a more individualized basis, many states are finding that a combination of activities on a limited basis, such as work, job training, education, and substance abuse treatment, leads to the greatest success for some individuals. Governors believe the federal government should recognize the success of these tailored approaches to addressing an individual's needs by providing states greater discretion in defining appropriate work activities. In addition, governors believe two-parent families and single-parent families should be subject to the same work participation rates and encourage Congress to eliminate the separate two-parent work participation rate. Consistent with the goals of welfare reform, states also should continue to receive credit for helping to move fami-

lies off welfare. For more information, contact Gretchen Odegard at 202/624-5300; or visit <http://www.nga.org/>.

**Representative Benjamin L. Cardin** (D-Md.) has introduced “The Next Step in Reforming Welfare Act” (H.R. 3625). This TANF reauthorization legislation would continue the expectation that welfare recipients move toward employment, but would also increase resources for job placement and advancement and enhance the program’s focus on reducing poverty. Cosponsors include all Democratic members of the Human Resources Subcommittee of the House Ways and Means Committee. Provisions include the following.

- The current caseload reduction credit would be replaced by an employment credit, which would reduce a state’s participation requirement by the number of employed welfare leavers in the first half of the prior year divided by the state’s welfare caseload in the first half of the prior year. (No state’s effective work participation rate could go up by more than 10 percentage points per year.)
- The bill would maintain the requirement that welfare recipients be enrolled in work activities (as defined by the state) within two years of receiving TANF. It would also continue to require states to have half of their caseload involved in federally defined work-related activities, with new opportunities for education and training.
- The bill would eliminate the 30-percent cap on the number of TANF recipients who can be enrolled in vocational education or high school and count toward a state’s participation requirement.
- Vocational education would count for two years, up from one year.
- The bill would allow states to count rehabilitative services designed to improve future employment opportunities, including substance abuse treatment, domestic violence counseling, and physical rehabilitation, toward a state’s work participation requirement for up to six months.
- The percentage of two-parent families required to be in work activities would be conformed to the single-parent requirement (i.e., 50 percent).
- English-as-a-second-language instruction would count toward the federal work participation requirements in the same way as “education directly related to employment,” which under current law counts toward 10 of the 30 hours required.

For more information, contact Nick Gwyn, Democratic staff director for the House Human Resources Subcommittee, at 202/225-4021; or visit [http://www.house.gov/cardin/human\\_resources\\_page.htm](http://www.house.gov/cardin/human_resources_page.htm).

**Robert Rector, senior research fellow with The Heritage Foundation.** Rector supports strengthening work requirements to reduce welfare dependency. His recommendations for TANF reauthorization include the following.

- Update caseload reduction performance goals. States should be required to reduce their caseloads by 80 percent based on 2002 caseload figures by 2007 or have the remainder of recipients participating in work activities.
- Require full-family sanctions for failure to participate in required work activities.
- Establish work requirements for all able-bodied persons in public housing and in the Food Stamp program.

For more information, contact Robert Rector at 202/546-4400; or visit <http://www.heritage.org/>

[library/keyissues/welfare/](http://library/keyissues/welfare/).

*The Welfare to Work Partnership.* The Partnership believes that lawmakers should do more to ensure that welfare recipients are prepared for long-term success before their first day of work. Lawmakers should also find a better balance between the strict work-first philosophy at the core of the 1996 law and more intensive efforts to prepare welfare recipients for reliable and better-paying jobs. Although the Partnership's companies believe most recipients should be required to work and are eager to employ these new workers, many have come to see the practical limitations of a program that, in some cases, pushes recipients into jobs before they are prepared to succeed in them. Additional policy recommendations can be found in *The Bottom Line for Better Lives* at <http://www.welfaretowork.org/files/president'sbook.pdf>. For more information, contact Rob Keast at 202/955-

**TANF Reauthorization Resources Include:**

- Reauthorization Research Summaries – periodic summaries of major new studies and their findings;
- Reauthorization Website – electronic links to: research and analysis; individual issue areas; basic information resources; and links to organizations that are addressing reauthorization.
- Reauthorization Listserv – a moderated listserv to share information on TANF reauthorization, including bi-weekly updates of new publications and events.

For more information, visit [http://www.welfareinfo.org/tanf\\_reauthorization.htm](http://www.welfareinfo.org/tanf_reauthorization.htm), or contact: TANF Reauthorization Resources, The Welfare Information Network, 1401 New York Avenue, NW, Suite 800, Washington, D.C. 20005 (tel. 202-587-1000), or email: [mganow@financeproject.org](mailto:mganow@financeproject.org)

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