

# Is your state prepared for TANF Reauthorization?



Momentum has been building for several years to reform the Temporary Assistance for Needy Families (TANF) program. The **Jobs and Opportunity with Benefits and Services for Success Act (JOBS)**, released by the House Ways and Means Committee in May 2018, includes elements likely to be adopted as part of TANF's Reauthorization.

## What are the major changes in the JOBS Act?

The act **changes the name of the TANF Program** to the Jobs and Opportunity with Benefits and Services (JOBS) Program.

**JOBS alters how states can spend their TANF funds.** The Act:

- ✔ Requires states to spend 25% of the block grant and required state Maintenance of Effort (MOE) expenditures on assistance, case management, work supports/supportive services, work, wage subsidies, work activities, and short term non-recurrent benefits.
- ✔ Eliminates the Contingency Fund; those dollars are now targeted specifically for child care.
- ✔ Prohibits direct spending of TANF funds on child care or child welfare. The amount that may be transferred to the Child Care and Development Fund (CCDF), the Workforce Innovation and Opportunity Act (WIOA), or spent on child welfare is limited to 50% of federal TANF funds. Transfers to child welfare programs are capped at 10%.
- ✔ Eliminates the transfer of TANF funds to the Social Services Block Grant.
- ✔ Limits TANF and state MOE spending to families at or below 200% of poverty.
- ✔ Limits the amount of carry-over states can retain indefinitely to 15% of the block grant and requires the remainder to be obligated within two years and spent within three years.
- ✔ Adds reduction of child poverty as a fifth allowable goal for the use of funds.

**JOBS changes the way state performance is measured.**

The Act:

- ✔ Eliminates the Work Participation Rate (WPR), but it does not eliminate the individual work requirements for work-eligible families.
- ✔ Mandates development of performance outcome measures based on the WIOA Program focused on unsubsidized employment, earnings, and educational attainment. These would be applicable to both TANF and MOE-funded families.
- ✔ Eliminates time limits on education and training program participation to support educational achievement measures.

**JOBS impacts program administration in other ways.** The Act:

- ✔ Phases out (over a four-year period) the use of third-party expenditures to meet MOE requirements.
- ✔ Strengthens language prohibiting supplanting state spending with federal funds.
- ✔ Adopts requirements of the Improper Payments Elimination and Recovery Act for states to complete case reviews identifying improper payments.

## These are significant reforms. What can states do to prepare?

Although the JOBS Act is not yet law, states should anticipate reforms like those outlined in the bill when Reauthorization occurs. We recommend several steps to support the planning process to focus spending on core activities and programs, prepare for employment-focused measures, and maximize the impact of spending on child care and child welfare programs.

**Review TANF spending.** Given the limits on child welfare spending, elimination of the Contingency Fund, prohibition on SSBG transfer, and the phase out of third-party MOE, a thorough assessment of current spending is important. This review should focus on aligning spending to new requirements and maximizing the impact of state MOE spending.

**Develop impactful work supports and programs.** States may need to re-allocate TANF dollars to comply with the minimum spending requirements on required core services. This is an opportunity to develop focused programming to support participants in finding and maintaining employment, and calls for creative strategies such as entrepreneurship programs (see box at right).

### Review child welfare spending across all funding sources.

The Family First Prevention Services Act, which passed in February 2018, re-structured federal funding for child welfare. Given the JOBS Act's limit on the use of TANF for child welfare, states should conduct a review of the child welfare services they are funding – and all their sources – to understand the impact of these changes and formulate the best funding strategy.

**Consider investments in child care.** The combination of additional funding for child care and the increase in allowable CCDF transfer provides new opportunities to support working families. States should review their investments in this area to improve access and prevent families from applying for TANF for the sole purpose of receiving child care assistance.

**Re-think case management models.** States have operated under the WPR framework for many years, and many have developed case management models designed primarily to support meeting participation requirements. With the JOBS Act's expectation that all work-eligible participants engage in activities, it is vital to effectively assess clients and engage them in meaningful activities. Coaching (see box at right) and motivational interviewing are two tools to consider as states develop new case management practices.

***Opportunity Quest** is an entrepreneurship training program designed to teach participants how to think like business owners by helping them focus on what they do best, take control of their money, explore new paths to self employment, and hear from those who have been there and been successful. PCG successfully implemented this model in Gainesville, Florida, where participants received personalized business coaching to help them advance their business ideas to the next level.*

***Coaching** is a person-centered, strength-based way of working with others. Front-line staff trained in coaching help people direct, own, and experience the changes that they want to see in their lives. Rooted in emerging brain science, coaching is a proven way for front-line TANF staff to help individuals make economic and personal gains by building essential skills needed to succeed in education, the workplace, and everyday life. PCG's Coaching Framework connects learners with promising practices from across the field to promote strategies for shifting their perspective and approach to service delivery.*



**Interested in learning how your state can prepare for TANF Reauthorization? Contact our team today.**



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