



## **2018 TANF Reauthorization Discussion Draft**

*Helping More Americans Enter and Remain in the Workforce*

### **Section by Section Summary**

#### **Section 1: Short title.**

This Act may be cited as the “Joining Opportunity with Benefits and Services (JOBS) for Success Act”.

#### **Section 2: Table of Contents.**

#### **Section 3: References.**

#### **Section 4: Extension of certain authorities.**

- Extends child care entitlement at current funding through FY 2023.
- Extends grants to territories at current funding through FY 2023.

#### **Section 5: Expecting universal engagement and case management.**

- Retains the strong focus on work requirements by requiring all work-eligible individuals receiving TANF assistance to participate in work or work preparation activities for a minimum number of hours per month in exchange for benefits.
- Expects universal engagement and case management that begins with an initial assessment of education, skills, and work readiness to develop an individual opportunity plan, including:
  - A personal responsibility agreement wherein the individual agrees to comply with program work requirements in exchange for benefits;
  - The number of hours per month the individual is expected to participate in work or work preparation activities;
  - Short, intermediate and long-term actions for the individual to reach an employment goal, to be reviewed every 90 days for progress, which may include an intermediate goal of completion of high school for an individual younger than age 24;
  - May include referral to appropriate substance abuse or mental health treatment.
- Maintains current law sanctioning of individuals that fail to comply with activities in the individual opportunity plan without good cause, and continues to require States to track and verify participation in work or work preparation activities.
- Allows States greater flexibility in customizing work or work preparation activities pursuant to an individual’s needs as determined through the assessment and development of the individual opportunity plan.

- Delays the effective date for an additional six months beyond the effective date for funding.

### **Section 6: Promoting accountability by measuring work outcomes.**

- Includes an outcome-based performance accountability system to assess the effectiveness of States in increasing employment, retention, and advancement among TANF families. Outcome measures replace the work participation rate as the primary State accountability mechanism.
- Establishes four indicators of performance, in alignment with those used under the Workforce Innovation and Opportunity Act, to be determined on a state-by-state basis jointly with the Secretary of Health and Human Services (HHS) over the 2-year State plan period and as part of the State plan approval process including:
  1. Percent of work-eligible individuals in unsubsidized employment in the 2nd quarter after exit (weighted at 40% of total).
  2. Percent of work-eligible individuals in unsubsidized employment in the 2nd and 4th quarter after exit (weighted at 25% of total).
  3. Median earnings of work-eligible individuals in unsubsidized employment in the 2nd quarter after exit (weighted at 25% of total).
  4. Percent of work-eligible individuals under 24 years of age, attending high school or enrolled in an equivalency program, who obtain a high school degree or equivalent (weighted at 10% of total).
- Defines exits as the month in which a TANF work-eligible recipient ceases to receive TANF cash assistance.
- Requires the State and Secretary, in negotiating performance levels, to take into account:
  - How levels compare with the levels established for other States;
  - Appropriate adjustments to performance levels using an objective statistical model (to be developed in consultation with the Department of Labor) based on differences in economic conditions, including unemployment rates and characteristics of participants; and
  - How levels promote continuous improvement.
- Uses FY 2020 as the baseline year from which numerical targets will be established for each fiscal year thereafter in conjunction with submission of the State plan.
- Establishes a website with state-by-state profiles and a dashboard report card structure that includes transparent information on:
  - Each State's performance level on each indicator and whether the State achieves, exceeds, or fails to achieve their targets on an ongoing basis;
  - Information on adjustments to performance levels made pursuant to the statistical adjustment model;
  - A grade based on overall State performance as determined by HHS and in consultation with the State;
  - The number and percentage of child-only cases and reason why cases are child-only;



- Average weekly number of hours of each work-eligible individual in work or work preparation activities, including the number and percentage of individuals with zero hours of participation and reason for non-participation; and
- Link to the State’s approved plan (see Section 10).
- Maintains current list of 12 work activities, re-named as work or work preparation activities, and adds allowance for additional activities determined by the State as necessary to improve the employment, earnings, or other outcomes of TANF recipients.
- Adds definition of “work-eligible individual” (consistent with the current regulatory definition used by HHS).

### **Section 7: Targeting funds to truly needy families and core purposes.**

- Limits use of TANF funds to families whose monthly income is below 200% of the federal poverty level.
- Expands transfer authority and raises the cap, by allowing States to transfer up to 50% of TANF mandatory funds to the Child Care and Development Fund, Child Welfare (up to 10%) and the Workforce Innovation and Opportunity Act (WIOA). Prohibits transfer of TANF funds to the Social Services Block Grant. Prohibits direct spending on child care or child welfare activities. States that want to use funds for these purposes are to transfer funds pursuant to this new authority.
- Targets TANF federal and state matching funds (see Section 10) to be used only for core activities that support work including: assistance, program and case management, work supports and supportive services, work, wage subsidies, work or work preparation activities and non-recurrent short term benefits. TANF mandatory funds may be used as under current law, in any manner reasonably calculated to meet a TANF purpose.

### **Section 8: Including poverty reduction as a core purpose.**

- Adds reducing child poverty by increasing employment entry, retention, and advancement of needy parents to the purposes of TANF.

### **Section 9. Modernizing State share.**

- Continues the TANF block grant at its current funding level through FY 2023.
- Changes the structure of the TANF State family assistance grant to be divided between:
  - TANF Mandatory funds (75%) – Funds may be spent on TANF purposes (same as current law) and with a reduced maintenance of effort (MOE) requirement of 56% of historical State expenditures. In addition, States may transfer up to 50% of mandatory funds pursuant to Section 7.
  - TANF Matching funds (25%) – Funds may only be spent on core activities that support work (see Section 7) and matched based on the Federal medical assistance percentage. For purposes of matching, qualified State expenditures are limited to spending on core activities that support work. In addition:
    - Any unused matching funds will be re-distributed to other States.



- Allocation of federal matching funds will be based on the number of children in families with income below the poverty level in each State.

### **Section 10: Strengthening accountability through HHS approval of State plans.**

- Provides HHS authority to approve State TANF plans, which cover a 2-year period, and includes new plan requirements related to new provisions of the law including case management, universal engagement, performance measures and levels, etc.
- Requires states to provide in their plan a description of how they will engage low-income noncustodial parents paying child support and provide these parents with access to work supports and other services to support their employment and advancement.
- Allows States the option of submitting a combined plan to HHS and the Department of Labor that meets requirements for TANF and programs and activities under WIOA.
- Provides the Secretary of HHS with authority to reserve ¼ of 1% of the aggregate amount appropriated to provide technical assistance to carry out state and tribal programs, including for implementation and maintenance of the performance dashboard described in Section 6.

### **Section 11: Aligning and improving data reporting.**

- Requires States to report full population data in order to improve transparency and reporting in the TANF program.
- Adds reporting requirements to capture the number of hours per month for each work-eligible individual, including reporting individuals with zero hours of participation in work or work preparation activities and the reason for lack of participation.
- Provides HHS authority to determine information necessary to be collected in order to determine report on the employment and earnings outcomes of work-eligible individuals consistent with the outcome measures describe in Section 6.

### **Section 12: Effective date.**

- Effective date of the bill is October 1, 2018.

