

# ***Setting a New Course for State Welfare Programs***

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# New TANF Provisions and Implications

- Fixed TANF funding with some new child care \$\$'s
- TANF provisions in the DRA impose new rigor around work requirements
- State flexibility further limited by the interim rules
- Opportunity and challenges

# DRA: Major Work Issues

- Retains work participation rates of 50% for all families and 90% for two-parent families
- Changes base year for calculating caseload reduction credit to 2005
- Includes those in separate state programs in calculation of work participation rates

# Implications

- Value of caseload credit greatly diminished – work rate is very real challenge.
- FY 2004 only nine states met 50%, 18 states were below 25%.
- 29 states had separate state programs for two-parents and families with significant barriers, representing 12% of the caseload.

# Regulations on Work Definitions

- Narrows work experience and community service –excludes “barrier removal” activities.
- Job search and job readiness become “catchall” but are time limited.
- Baccalaureate education doesn’t count.
- ABE and ESL only when part of employment or vocational educational training.
- Verification & reporting requirements.

# Challenge for States

Meeting the work rate and:

- Staying focused on employment outcomes
- Supporting working families, including advancement and retention and child care
- Assisting persons with multiple barriers/disabilities
- Two-parent work participation rate
- Allowing activities that might not count toward work participation rate
- Using TANF \$ flexibly and for broader purposes

# Short-term Strategies for Meeting Work Rate

- Engage people sooner
  - Up-Front Diversion
- Engage more people
  - All eligible activities
- Keep working families attached longer
  - Earnings supplements
- Reduce denominator
  - Solely state-funded
- Change Sanction Policies

# Longer-Term Strategies

- Transitional Jobs Programs
- Short-term, integrated education and training programs
- Assessments, case management, and connections to other systems
- Redesign of job search/job readiness activities

# Opportunities

- Clarify desired goals and purposes of state welfare programs. Re-energize program.
- Redirect spending back to welfare-to-work efforts
- Revitalize partnerships with workforce system and others
- Increase short-term training opportunities

# Elements of Success?

- Blending short-term responses with longer-term strategies
- Leadership that focuses on broader goals. Strategic partnerships
- Using knowledge gained and research conducted over past 10 years
- Culture change and messaging
- Enhancing front-line capacity
- Measuring performance