

# National Perspective on State TANF Programs (and how Montana fits)

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# Roadmap for Presentation and Discussion

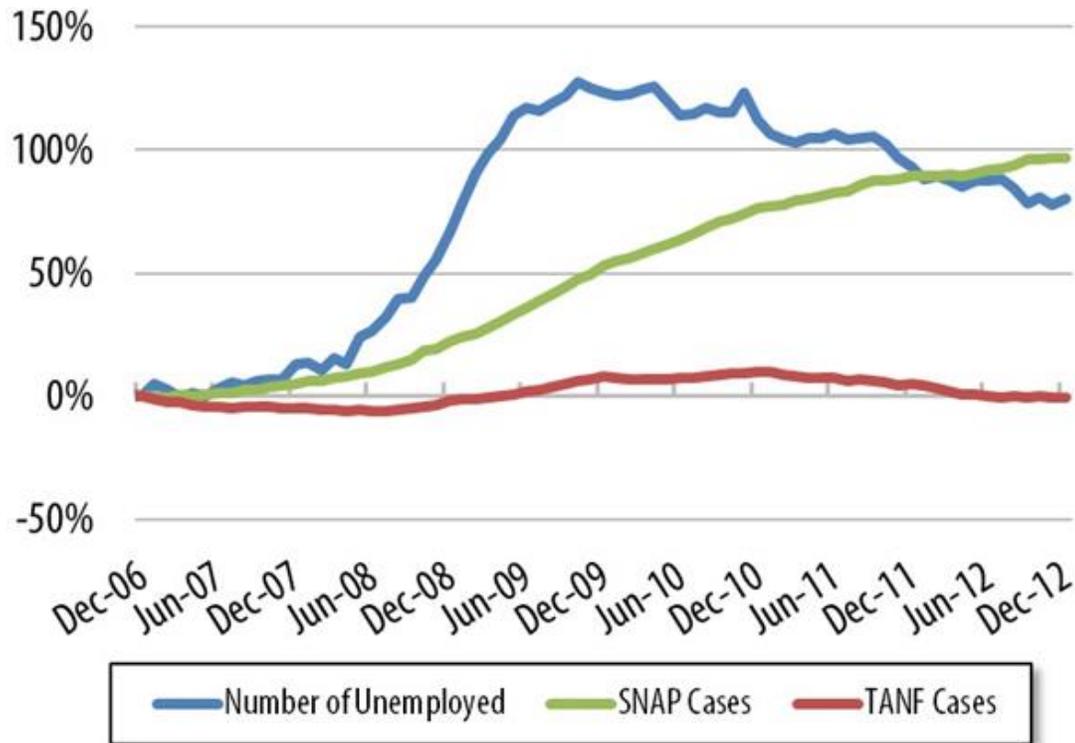
- General overview across the nation (and where Montana fits in)
  - TANF's effectiveness as a safety net
  - Work support policies and work and training programs
  - How states spend TANF and MOE funds
- Going deeper on spending – non-assistance and reserve funds
- Going deeper on work programs
  - What do we know on effective work programs and what are states doing?
  - What about the work participation rate?
- Data – what outcomes and data should a state track?
  - Examples from other states

## TANF has not been an effective safety net in most states

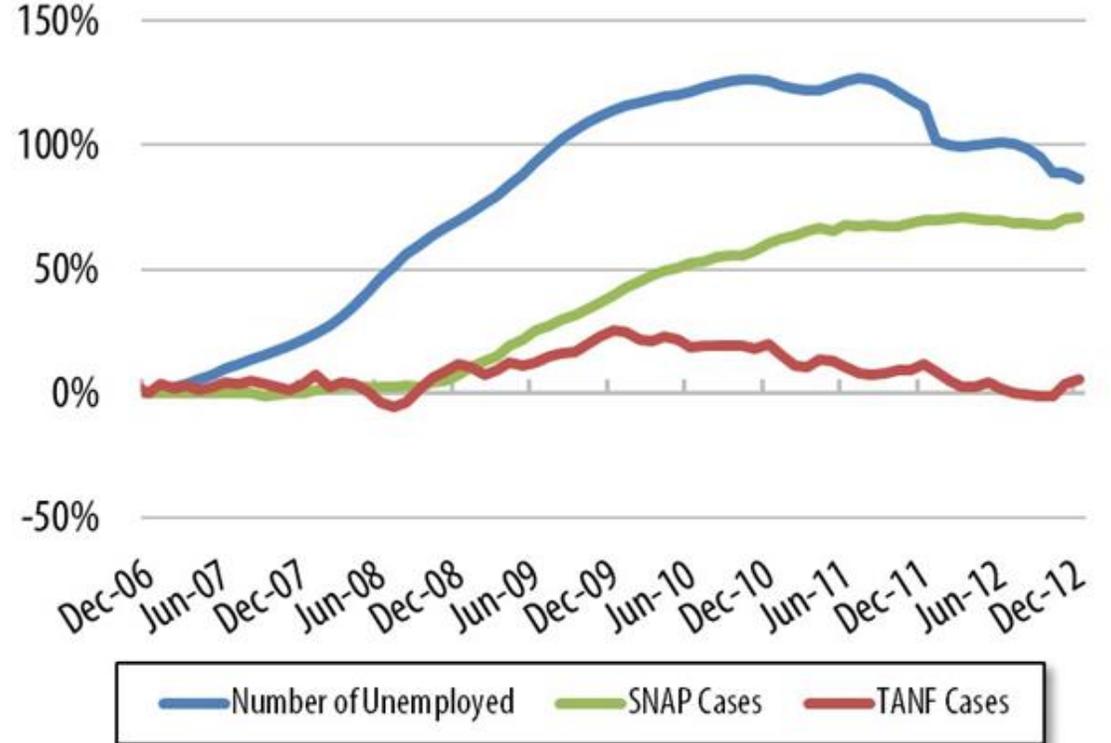
- Cash assistance caseloads were not very responsive to increased need in the recession and aftermath, contrast with SNAP
  - Modest increase (about 15% nationally) followed by decline, back to 2006 levels
  - Tremendous variation among states, Montana pattern typical of many
- States serve small share of poor families (TANF-to-Poverty Ratio)
  - For every 100 families in poverty, 26 receive cash aid, down from 68 pre-TANF
  - Montana: TANF-to-Poverty Ratio is half national average: 13 from 63 pre-TANF
- Benefits are low and, for most states, at least 20% lower in real dollars than pre-TANF benefit levels
  - Montana: benefits are 31% FPL, decline in value by 22% since TANF began

# TANF caseloads have not matched increases in unemployed or in SNAP: US and Montana (2006-12)

US



MT

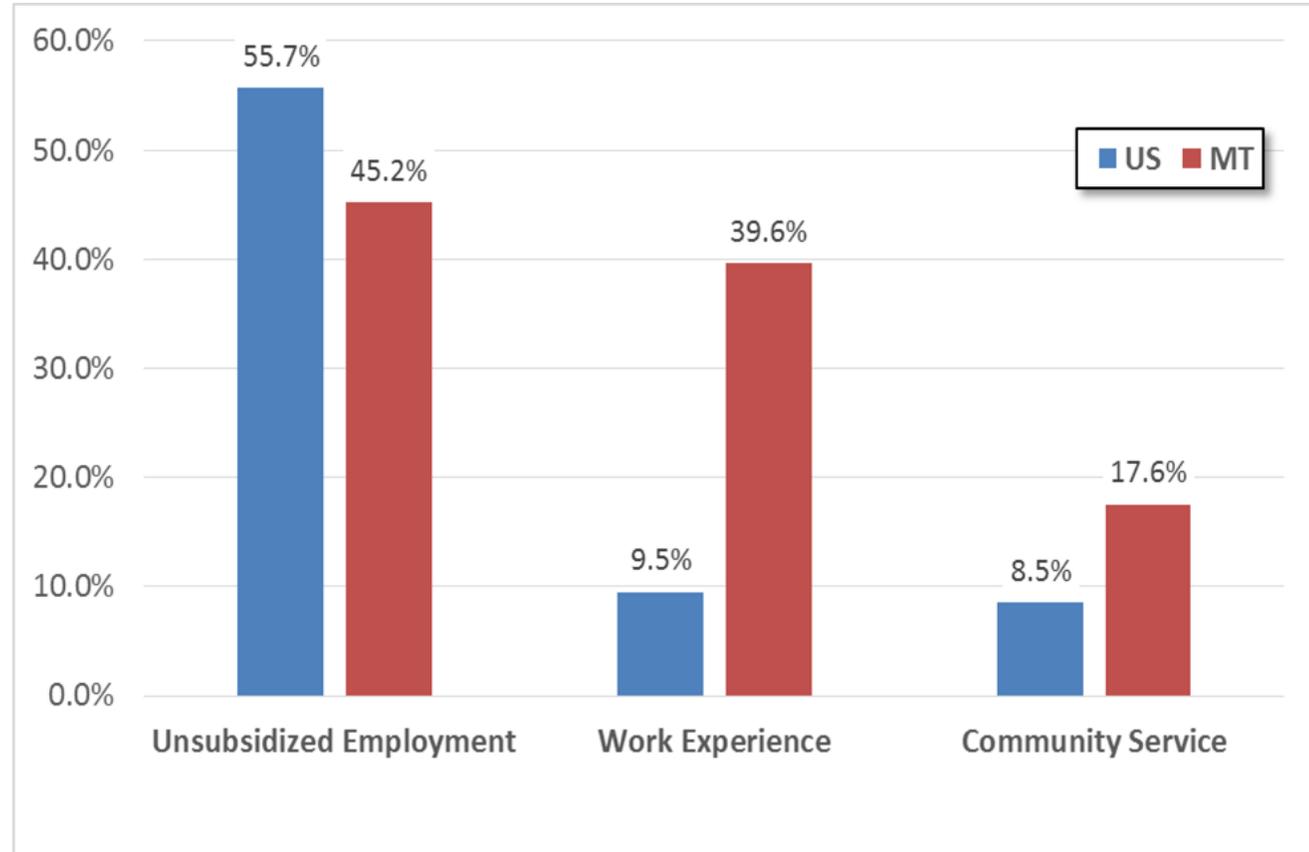


## Mixed efforts on state welfare-to work promises

- Often welfare reform has been more about caseload decline than about helping connect or prepare families for work
- State work support policies have also played key role in supporting work
  - States expanded earnings disregards, added transitional post-TANF supports (e.g., cash, transportation), expansions in child care subsidies, state EITCs
- Work program initiatives have often not been centerpiece of efforts
  - Work Participation Rate pressures often run counter to with effective work-related activities and made worse by 2006 DRA changes
  - But there have been recent fresh efforts and initiatives here (more detail later)

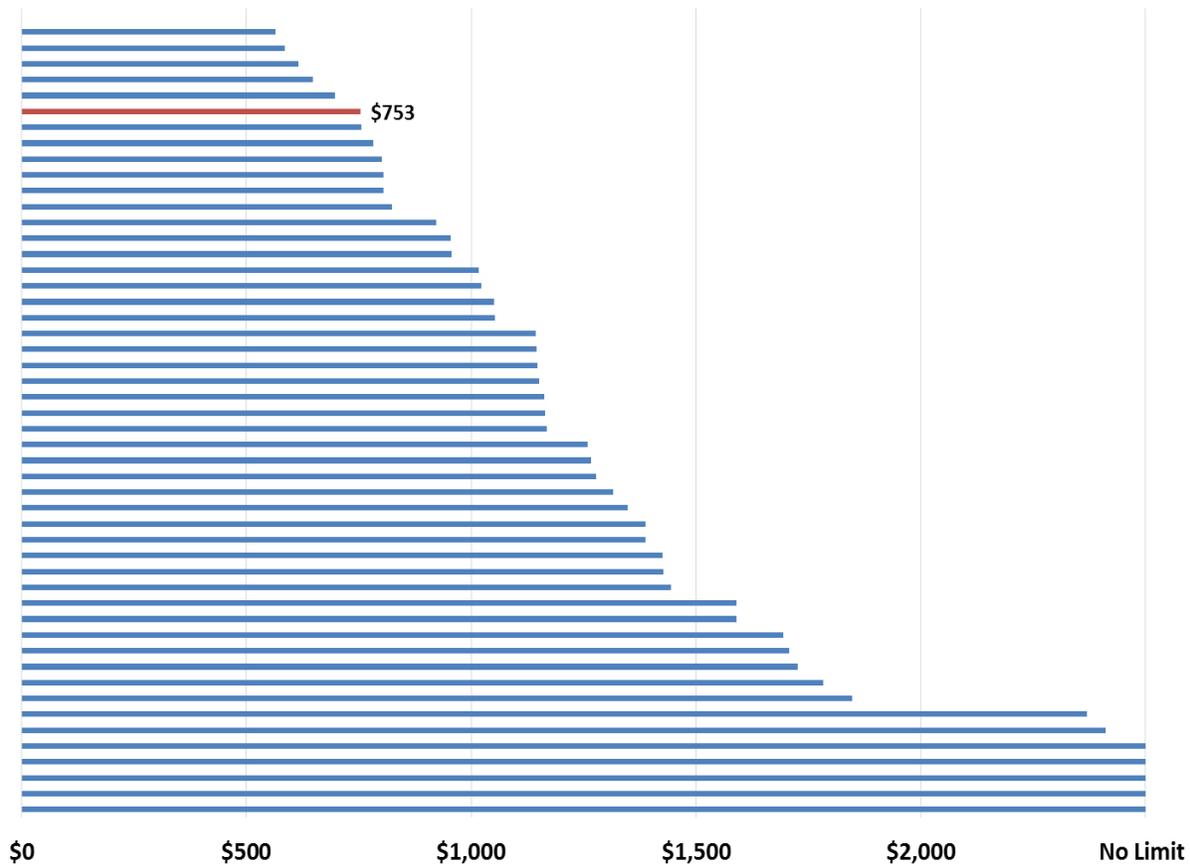
## Montana has used unpaid work activities to meet the work participation rate more than most states

- Montana uses unsubsidized employment less than other states
  - Role of state's low earnings cut-off and limited boost from post-TANF program
- Montana uses unpaid activities (work experience and community service) more than other states
- Caveat: Program redesigns in and after 2011 may have led to changes since then
- Source: Table 4B, 2011 HHS . Percent of WEI participating in activities for sufficient hours to count toward WPR.

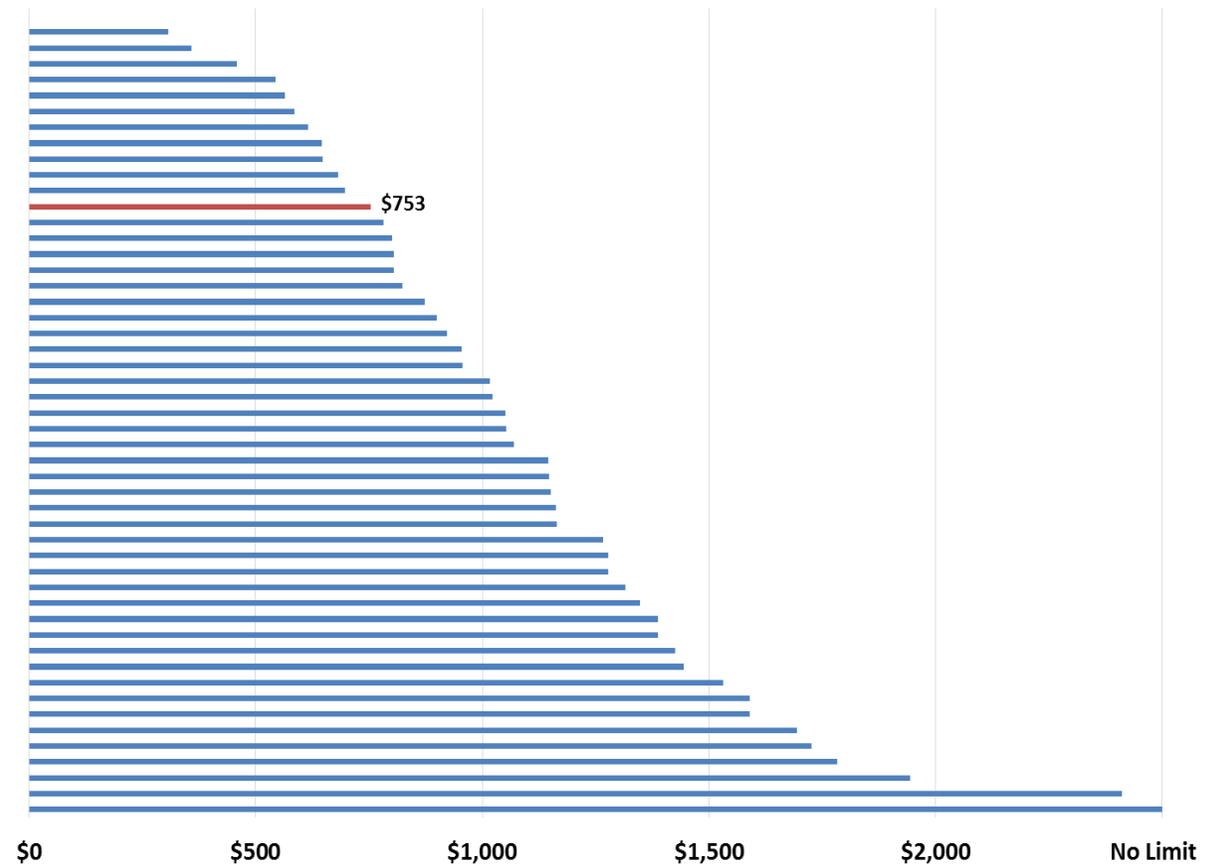


# Montana cuts families off ongoing TANF at low earnings levels, lower than most states' exit points

Second Month of Earnings



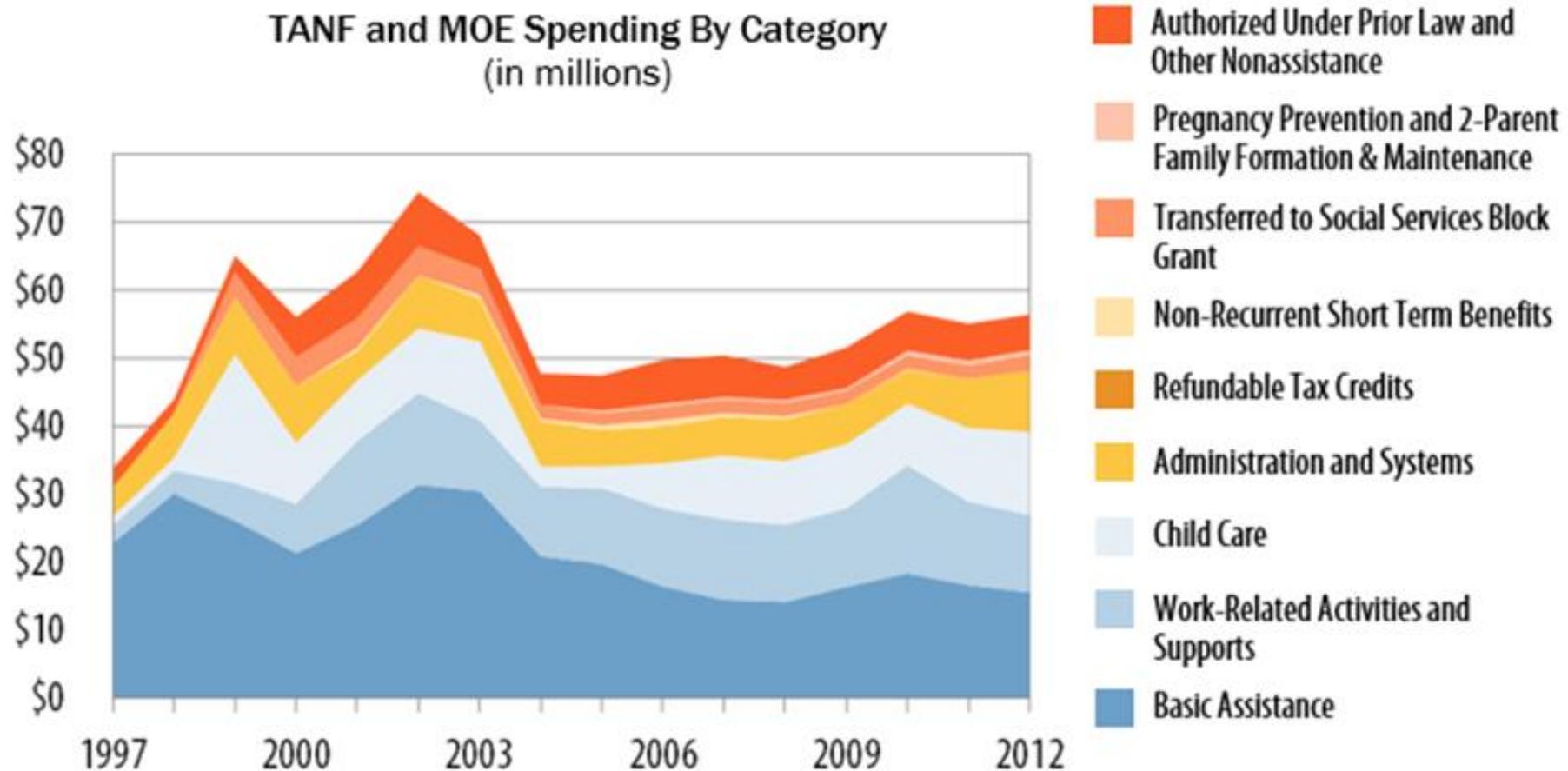
Seventh Month of Earnings



## Looking more closely at how states spend TANF and MOE Funds

- As caseloads declined states initially invested more funds in child care and work activities and built up reserves
  - Child care and work spending largely flat since around 2001, with some reductions especially in recent years
  - Reserve levels also reduced about a decade ago
- States started using funds for other areas of state budget that fell within the 4 purposes of TANF
  - In some states significant portion of spending outside of “core welfare reform”
- Hard to get that spending back in tight fiscal times so TANF cash, work and child care often took especially hard hits

# Looking at Montana TANF/MOE spending over time



## 2012 TANF/MOE spending at a glance: US and Montana

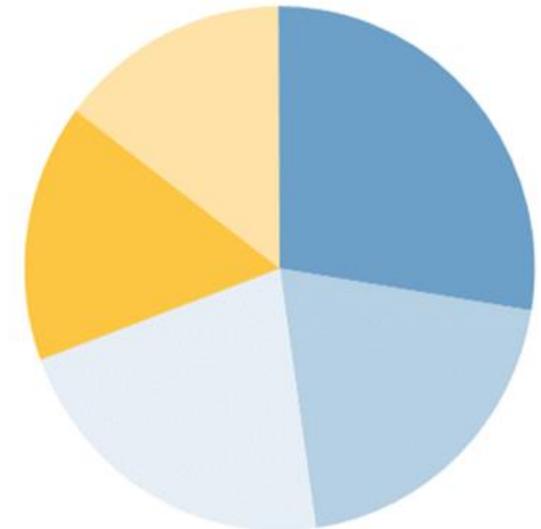
### US

	Basic Assistance	<b>29%</b>
	Work-Related Activities	<b>8%</b>
	Child Care	<b>16%</b>
	Administration and Systems	<b>7%</b>
	Refundable Tax Credits	<b>8%</b>
	Other Services	<b>32%</b>



### MT

	Basic Assistance	<b>28%</b>
	Work-Related Activities	<b>20%</b>
	Child Care	<b>22%</b>
	Administration and Systems	<b>16%</b>
	Refundable Tax Credits	<b>0%</b>
	Other Services	<b>15%</b>



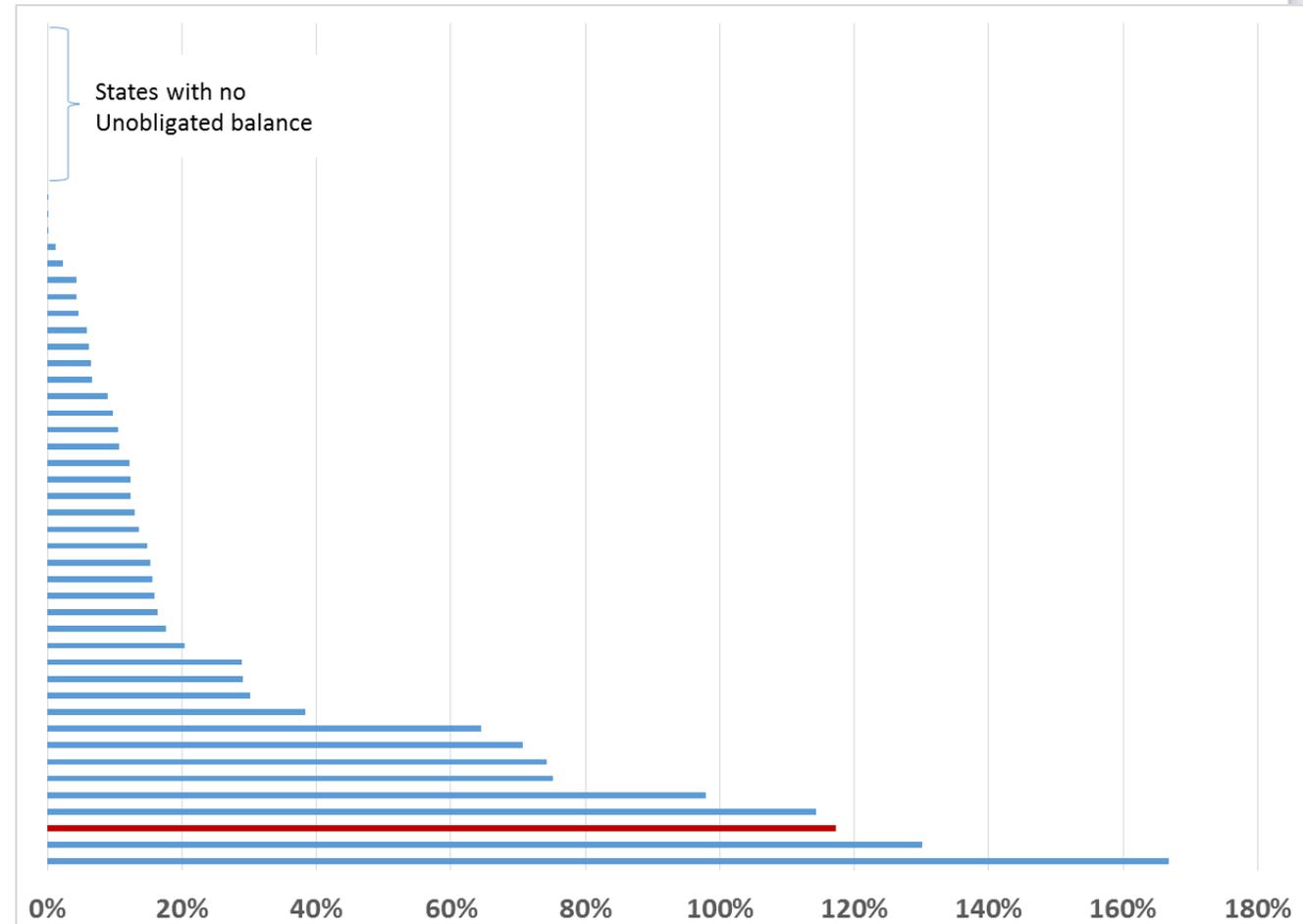
## Share of Montana TANF and MOE Spending on Key Welfare Reform Activities

- Some basic assistance savings invested in child care
- Work-related activities portion in Montana may include spending on low-income families not receiving cash assistance
- May appear to spend more funds on work programs for cash recipients than it does

	2001	2007	2012
<b>Basic assistance</b>	41%	29%	28%
<b>Work-related activities</b>	20%	23%	20%
<b>Child care</b>	14%	18%	22%

## Montana has 3<sup>rd</sup> largest share of TANF funds in reserve in nation (2012 HHS data)

- Unobligated Balance as a share of federal block grant (SFAG)
- 13 states with reserves greater than 25% SFAG
  - Of these, 4 at more than 100% SFAG: AK, WY, MT, UT
- 11 states with zero reserve
  - another 6 with less than 5%
- What is reasonable reserve balance



## How are other states spending “non-assistance”?

- Caveat: some non-assistance spending is not “real” spending but is just aggressive reporting of funds being spent anyway by state or local government above the minimum MOE requirements (excess MOE)
- Apart from work activities, child care and EITC, big expenditures are listed under “other non-assistance” or purpose 3 & 4
  - Biggest item is child welfare services spending
  - Other key areas are early childhood, adult or post-secondary education, mental health and addiction
- Because of broad spending flexibility, TANF or MOE funds often used to free up state funds rather than investing in core welfare reform

## Focusing on running effective work programs

- TANF work participation rate is in tension with effective work programs
  - WPR is outdated and does not reflect changes in economy, needs of employers, changes in education and training program design, added evidence base and skill levels/needs of caseload
- In recent years, some states looking at redesigning TANF work programs
  - Getting beyond “one size fits all”
  - Getting beyond only activities, combinations and hours that count toward WPR
- Building on evidence base on effective approaches and programs

## Some aspects of state program (re)design

- Not limiting activities to those that “count” toward the work rate, e.g. education and training, barrier remediation
- Being more flexible about number of hours required and core/non-core activity blend
- Recent change examples:
  - DC Tiered approach – do not apply federal core requirements for certain stages; barrier remediation does not use federal hours or activity requirements
  - CA Family Stabilization Services – greater flexibility about activities, hours, noncore services
  - NE – expanded access to basic education as stand-alone activity for those under age 25 (even when not a core activity under federal WPR)

## Subsidized and Transitional Employment

- Key program elements:
  - Paid employment opportunities for individuals with limited employment prospects
  - Level and duration of subsidy varies depending on target population and goals
  - Strong ties to employers may be important for long-term success
- Evidence of effectiveness:
  - Florida Back to Work: 20 percent increase in earnings year after subsidized job ended for all participants; 30 percent increase for long-term unemployed
  - Center for Employment Opportunities (ex-offenders): 13 percentage point increase in employment over three years (increase primarily due to subsidized work)
- Replication opportunities and requirements:
  - Many program variations, ways to keep program costs down
  - Are you using best design, right target population, right employer commitments?

## Contextual Learning or Bridge Programs

- **Key program elements:**
  - Provide education or remediation to allow individuals with low educational levels (typically at or below the 9<sup>th</sup> grade level) to access training Industry-specific training programs
  - Different models – some integrated with training and some designed to feed into training or post-secondary education programs
- **Evidence of effectiveness:**
  - LaGuardia Community College, GED Bridge to Health and Business program: Participants significantly more likely to complete the course (68 vs. 47 percent), pass the exam (44 vs. 20 percent), and enroll in a community college program (24 vs. 7 percent)
  - I-BEST in Washington State
- **Replication opportunities and requirements:**
  - Some adult education and GED programs already exist – where are the opportunities to restructure them to make them more effective?
  - Important to develop within the context of available training and post-secondary education options

## Sectoral Employment Programs

- **Key program elements:**
  - Industry-specific training programs – opportunities vary by local community
  - Preparation for skilled positions with higher pay and growth opportunities
  - Length of training varies – depends on the sector
  - May require participants to have higher basic skill levels
- **Evidence of effectiveness:**
  - Sectoral Impact Study: Earnings 29 percent higher in the second year
  - Year Up: Earnings 30 percent higher in the second year
- **Replication opportunities and requirements:**
  - Significant interest in doing more, may be new funding opportunities
  - Requires strong industry partners and deep knowledge of labor market trends
  - Opportunity to advocate for programs as community colleges transform themselves

## **Building Nebraska Families: Teaching life skills through home visiting**

- Home visits in rural areas
- Home-based weekly (or bi-weekly) sessions over 8-month period
- Individualized, hands-on work to build life skills – setting goals, time management, making good decisions, stress management, etc.
- Structured curriculum with focus on setting and achieving goals, step-by-step (could be tailored)
- Services provided by highly skilled staff with small caseloads, home visits reduced participation “costs” to family and helped to build relationships

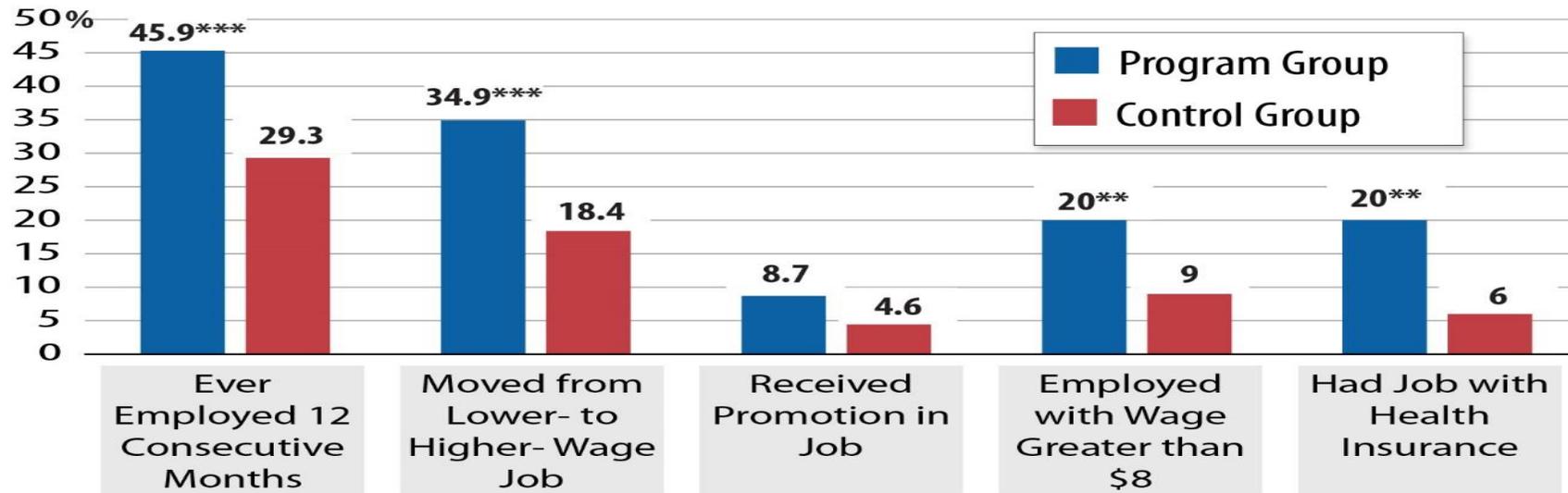
## **BNF: Significant impacts for most disadvantaged subgroup**

### **Program achievement and effectiveness:**

- Random control trial found significant impacts of stable employment and advancement for the hardest to employ families
  - Significant impact demonstrated for the subgroup
- Significant and large impact on employment stability (increase of 16 percentage points, from 29.3 to 45.9 percent) and job quality as measured by wages and availability of health insurance
  - Greater impacts than we have seen in most other evaluations of work programs

## Impacts of Building Nebraska Families on Employment Stability and Job Quality Stand Out

### Impact of Building Nebraska's Families (Individualized Life Skills Education Home Visiting Program) on TANF Recipients with Substantial Barriers



Note: \*/\*\*/\*\*\* Significantly different from zero at the .10/.05/.01 level, two tailed test.

Source: Mathematica Policy Research, Inc., "Teaching Self-Sufficiency Through Home Visitation and Life Skills Education."

## Monitoring performance of work programs

- Work participation rate is a process measure that can tell you what activities people are engaged in but does not tell you outcomes
  - Meeting the TANF WPR does not necessarily mean you are operating an effective work program for cash assistance families (likely the opposite)
- Tracking employment and earnings of TANF families tells outcomes
- Best information out employment outcomes is administrative data that can follow individual and earnings forward for 2-3 years
  - Can capture employment stability
  - Can capture earnings gains

## What employment data elements to track?

- What data can be administratively tracked?
  - Whether any earnings from employment, quarterly earnings amounts
  - May not be available: hourly wage levels, whether benefits (health insurance, paid sick leave)
- How long to track? Consider 12, 24, 36 month periods after TANF exit (or after completion of TANF work activity)
- What other factors could you track administratively?
  - Relate outcomes to various work-related services
  - Look at outcomes related to various contractors

## How to use the employment data?

- Set benchmarks and measure performance of programs?
  - Example: Percent of leavers employed, percent with earnings above 100% FPL or 200% FPL
  - Consider adjustments for geographic, demographic, labor market conditions (e.g., MN Self-Support Index)
- Consider whether/how to modify aspects of programs based on results
- Evaluate contractor performance based on result?
  - Caveat on risks of manipulation, creaming
- Make information publicly available

## Examples of state work activity and/or employment outcome data reports

- Connecticut Jobs First Employment Service At-A-Squint  
<http://www.ctdol.state.ct.us/weltowrk/Squint.html>
- Washington State Monthly Performance Indicator Report includes:
  - Exits for employment
  - Employment rates after exiting various work-related services
  - Earnings 3 quarters after existing various work activities<http://www.workfirst.wa.gov/performance/measures.asp>
- Florida dashboard includes many data elements including WPR  
<http://www.dcf.state.fl.us/programs/access/StandardDataReports.asp> or  
<http://dcfdashboard.dcf.state.fl.us/>

## Examples of state work activity and/or employment outcome data reports (cont.)

- New York City Human Resources Administration JobStat reports
  - [http://www.nyc.gov/html/hra/html/facts/jobs\\_stats.shtml](http://www.nyc.gov/html/hra/html/facts/jobs_stats.shtml)
- Minnesota Self-Support Index
  - <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4651-ENG>
  - legislative mandate to assess “...county (MFIP) performance using a methodology that controls for demographic, economic, and other variables...”
  - Looks at those who are working 30 hours or more a week or not on TANF (and exited for other than time limit or sanction)
  - Regression model adjusts for county variables
- Maryland – Life After Welfare Series
  - <http://www.familywelfare.umaryland.edu/lifeafterreports.htm>

## Questions? Discussion

More resources:

<http://buildingbetterprograms.org>

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