Improving Program Engagement of TANF Families: Understanding Participation and Those with Reported Zero Hours of Participation in Work Activities

OPRE Report 2015-06

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REPORT OVERVIEW

According to the congressionally required reports on engagement (ROEs), based on two reporting periods—March 2011 and an average month during April and June 2011, and federal work participation data, more than half of work-eligible individuals (WEIs) in the Temporary Assistance for Needy Families (TANF) program reported zero hours of participation in work or work-related activities (U.S. DHHS 2012, 2011). This descriptive study, conducted on behalf of the Office of Planning, Research and Evaluation (OPRE) in the Administration for Children and Families (ACF) by Mathematica Policy Research and its partners, describes the programmatic reasons that, within the current TANF environment, may influence the numbers of WEIs or families with reported zero hours of participation, and promising strategies that state and local TANF agencies are using to encourage client engagement. Data collection included: telephone interviews with TANF administrators in 30 states, and site visits to 11 communities in 8 states, including a document review. This study describes nine factors gleaned from communication with TANF administrators and direct service staff that appear to affect the number of families reported to have zero hours. It also highlights a variety of state strategies for increasing engagement by improving policies and procedures, strengthening service delivery and performance management, and streamlining initial activities and ongoing transitions between activities.

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EXECUTIVE SUMMARY

According to the congressionally required reports on engagement (ROEs), based on two reporting periods—March 2011 and an average month during April and June 2011, and federal work participation data, more than half of work-eligible individuals (WEIs) in the Temporary Assistance for Needy Families (TANF) program reported zero hours of participation in work or work-related activities (U.S. DHHS 2012, 2011). This descriptive study, conducted on behalf of the Office of Planning, Research and Evaluation (OPRE) in the Administration for Children and Families (ACF) by Mathematica Policy Research and its partners, describes the programmatic reasons that, within the current TANF environment, may influence the numbers of WEIs or families with reported zero hours of participation, and promising strategies that state and local TANF agencies are using to encourage client engagement.

Three research questions guided data collection for this study: (1) What circumstances explain client participation—or nonparticipation—in federally defined and other work activities? (2) What factors might influence the number of families with reported zero hours of participation? (3) What promising strategies have states and localities implemented to increase engagement, particularly among families with reported zero hours of participation, in federally defined and other work or work-related activities?

Data collection included: telephone interviews with TANF administrators in 30 states, and site visits to 11 communities in 8 states, including a document review.

This study documents nine factors gleaned from communication with TANF administrators and direct service staff that appear to affect the number of families reported to have zero hours. We grouped these factors into three categories:

- **TANF Policies and Procedures.** (1) State exemption and TANF sanction policies (e.g., broadly defined state exemptions, use of partial or gradual full-family sanctions); (2) an extended process for implementing sanctions; (3) lack of complete reporting of hours and activities; and (4) problems with reporting tools and practices where those participating were not captured in federal reporting.
- **Service Delivery and Performance Management.** (1) Ineffective assessment practices; (2) limited resources to provide work activities and address barriers; and (3) a focus on participation and employment outcomes, not zero hour cases.
- **Initial Activities and Ongoing Transitions.** (1) Delays in completing applications and other up-front activities, and (2) waiting for activities to begin—initially or when transitioning from one activity to another.

In this report, we also highlight a variety of state strategies for increasing engagement by improving policies and procedures, strengthening service delivery and performance management, and streamlining initial activities and ongoing transitions between activities.

This study found that the reasons for reported zero hours of participation are complex and difficult to quantify. Still, findings suggest that many TANF families are engaged in work activities but are not counted because of state reporting practices or difficulties with documenting client participation. In addition, limited state fiscal and staff resources have made it difficult to re-engage those not participating. Finally, because of resource constraints, states appear to focus on the families who, with a small investment, can get a job quickly rather than those who are hard to employ.

I. INTRODUCTION

Engagement in work or work-related activities by Temporary Assistance for Needy Families (TANF) adult recipients of cash assistance, a central tenet of the Personal Responsibility Work Opportunity Reconciliation Act of 1996 (PRWORA), is designed to instill accountability and encourage progress toward employment. For states, the legislation requires TANF programs to demonstrate that 50 percent of those receiving cash assistance and subject to work requirements are engaged in federally defined work activities for an average of 30 hours per week per month (20 hours for a single parent with a child under six). The law also includes a caseload reduction credit, which reduces a state's required work participation rate (WPR) by one percentage point for each percentage point that the state's assistance caseload for the prior year (the comparison year) falls below the caseload in fiscal year (FY) 2005 (the base year), excluding reductions due to federal or state eligibility changes enacted since the base year. As a result, in FY 2011, 22 states had an adjusted target of zero percent for the overall WPR. For clients, requiring program participation as a condition of TANF eligibility reinforces the message of personal responsibility and work. The concept is based on the idea that parents engaged in program activities will find a job and eventually become self-sufficient. The current TANF program accountability measure, the WPR, captures clients who are engaged in federally defined work activities for a designated number of hours per month. Programs regularly track clients' participation in work activities to calculate the rate. Although the WPR measures clients who meet the federal work requirements in a state, there is some evidence to suggest that it might not capture all of those engaged in work or program activities, particularly those who are reported as having zero hours of participation in federal data.

To better understand engagement, in the Claims Resolution Act (CRA) of 2010, Congress required states to report detailed point-in-time information (monthly) about the percentage of TANF clients fully engaged in federal work activities, the percentage engaged but who did not meet the requirements, and the percentage with zero participation hours. A central finding of these one-time reports on engagement (ROEs) for 2011 was that more than half (52 percent in March and 55 percent in an average month for the April to June period) of work-eligible individuals (WEIs) in the TANF program reported zero hours of participation in work or work-related activities (DHHS 2012, 2011).[1] TANF policymakers and program administrators criticized the value of the ROEs for making conclusions across states because of the variation in how states define, collect, and report the requested variables. Still, understanding TANF families with reported zero hours of participation received increased interest from federal policymakers and program administrators in exploring the aspects of implementation in state and local TANF programs that could account for a high rate. This descriptive study, conducted on behalf of the Office of Planning, Research, and Evaluation (OPRE) in the Administration for Children and Families (ACF) by Mathematica Policy Research and its partners, the Urban Institute and Don Winstead Consulting, describes the perceptions of TANF administrators and direct service staff regarding the policy and programmatic reasons that may influence the numbers of families with reported zero hours of participation. We also describe

[1] "Work-eligible individual" means an adult (or minor child head-of-household) receiving assistance under TANF or a separate state program, or a nonrecipient parent living with a child receiving such assistance, unless the parent is (1) a minor parent and not the head-of-household or spouse of the head-of-household; (2) an alien who is ineligible to receive assistance due to his or her immigration status; or (3) at the state's option, on a case-by-case basis, a recipient of Supplemental Security Income (SSI) benefits. The term also excludes (1) a parent providing care for a disabled family member living in the home who does not attend school on a full-time basis, provided that the need for such care is supported by medical documentation; and (2) an individual receiving maintenance-of-effort assistance under an approved tribal TANF program, unless the state includes the tribal family in calculating work participation rates.

promising strategies that state and local TANF agencies are using to encourage client engagement, particularly those families with reported zero hours of participation.

A. Measuring Engagement

Under the TANF statute, the WPR is the primary measure to describe the level of client engagement in work or work-related activities. The WPR documents the percentage of the work-eligible TANF caseload that is engaged in federally defined work activities for a designated number of hours per month. Consequences for failing to meet the rate may include a reduction in the state's TANF block grant of up to 5 percent—a reduction that can grow by an additional 2 percentage points for each year the participation rate is not met, up to 21 percent (Schott and Pavetti 2013).

There are no federal reporting requirements to count or describe families or WEIs with reported zero participation hours. In addition, states are not required to report on individuals participating in: (1) federally countable activities, but falling short of the required number of hours; (2) self-sufficiency activities that are not federally countable activities; (3) federally countable activities for the required number of hours, but beyond the statutory limitation (applies to activities such as job search and post-secondary education). States were required to report the number of WEIs engaged in any work or work-related activities on a one-time basis under the CRA. However, there is no formal requirement for states to provide ongoing reporting of this information. In this section, we discuss the federal work requirements and work participation rate and efforts to measure the number of families with reported zero participation hours.

1. Work Requirements and the Work Participation Rate

The passage of PRWORA instituted a federal mandate requiring states to demonstrate that they engage 50 percent of families with a WEI in federally defined work or work-related activities, subject to adjustments due to the caseload reduction credit. However, due to the caseload reduction credit, most states have a lower target for the percentage of families they are required to engage. As stated, WEIs who are single heads of household must participate for an average of 30 hours per week (20 hours per week for single parents with children under 6) in order to count toward the federal participation rate. The 12 federally defined work activities fall into two categories—"core" (9 activities) and "noncore" (3 activities). Core countable activities include job search or job readiness, unsubsidized employment, work experience, community service, subsidized employment, and on-the-job training, among others, whereas noncore allowable activities include basic education, vocational education, and postsecondary education.[2] To achieve the 30 hours, WEIs must engage in at least 20 hours of countable activities, but can combine core and non-core activities to reach the remaining 10 hours of required work participation. A teen parent (younger than age 20) who is a WEI may count toward the WPR without regard to the hours and activities requirements if he or she maintains satisfactory attendance in secondary school (or the equivalent) or participates in education directly related to employment for an average of at least 20 hours per week in the month.

[2] "Core" activities include unsubsidized employment, subsidized private-sector employment, subsidized public-sector employment, work experience, on-the-job training, job-search and job-readiness assistance, community service programs, vocational education training, and providing child care to a participant in a community service program. Clients are required to participate in these activities for a monthly average of at least 20 hours per week. "Noncore" activities—those only countable for hours in excess of 20 hours per week—include job skills training directly related to employment, education directly related to employment, and satisfactory attendance at secondary school or in a GED program.

Federal legislation has placed statutory limits on some federally countable work activities such as job search and job readiness assistance and post-secondary education and training. Participation in job search and job readiness assistance can count toward the federal requirement for up to six weeks (for no more than four consecutive weeks) within a 12 month period. The statutory limit may be extended up to 12 weeks (no more than four consecutive weeks) within a 12 month period based on their state unemployment rate and Supplemental Nutrition Assistance Program (SNAP) use.[3] A TANF client who is participating in post-secondary education and vocational training can count toward the federal requirements for up to 12 months (lifetime).

Under TANF, states may disregard from the WPR calculation families with a WEI if they are: single parents with a child younger than 1 (but for no more than 12 months over a WEI's lifetime), receiving assistance from a tribal family assistance plan, or sanctioned for not meeting work requirements (for up to 3 months in the preceding 12-month period).[4] States may implement additional exemptions; however, these families are still included in the federal WPR. Exemptions may include individuals with a documented physical or mental health condition.

2. Measuring Families with Reported Zero Hours of Participation

There is not a single established federal definition for calculating the share of families with zero hours of participation. When ACF reports participation rate compliance annually, the ACF tables include information about the share of families reported to have zero hours of participation. However, under existing reporting rules, states are not required to report the hours of participation by individuals with insufficient hours to count toward the rates, or the hours of participation in self-sufficiency related activities that do not count toward participation rates. Accordingly, concerns have been raised that the HHS-reported total is an undercount of actual participation.

For purposes of the temporary reporting under the CRA, states were asked to report all hours of participation, whether or not meeting federal participation rate requirements, and whether or not the activity was a federally listed activity for participation rate purposes. However, this was temporary reporting, required for only two quarters. Moreover, the ROEs were calculated based on the individual WEIs (that is, the parents), rather than families as available using the federal work participation data. In addition, for the ROEs, states had different reporting practices and were inconsistent in how they defined the engagement categories. As a result, they did not necessarily define engagement variables in the same way or collect all the information requested (for example, hours and activities for clients granted a state exemption from the work requirements).

Policymakers and program administrators may use the federal participation data, which are based on state quarterly participation reports, to estimate the ongoing number of families with reported zero hours of participation in federally defined work activities. Each quarter, states are required to submit reports summarizing clients' participation in federally defined work activities to the Office of Family Assistance (OFA) within ACF. Reporting is based either on the universe of

[3] The statutory limit for job search and job readiness assistance may be extended for states that have an unemployment rate that is at least 50 percent greater than the national unemployment rate or if they qualify as a "needy state," as defined by an unemployment or Food Stamp trigger (see Section 407(c)(2)(A)(i) of the Social Security Act and the regulation at 45 CFR 261.34).

[4] Based on FY2011 federal work participation data, of the 1,029,700 TANF families included in the all-families rate nationally, 10.9 percent (111,749) were disregarded from the WPR because they were a single custodial parent with a child under 1, 2.5 (25,891) percent were subject to a sanction, and less than 1 percent (2,021) were participating in a tribal work program.

TANF recipients or a sample of cases. These data are then verified and publicly released on ACF's website as federal participation data. The most recent public data available are for FY 2011.

While these state quarterly participation data are used to estimate the number of families or WEIs with zero participation hours, there is no official federal reporting requirement for those with zero hours. Moreover, differing definitions, reporting approaches, and program practices across the states call the reliability of the state participation data into question (Pavetti et al. 2009). To illustrate, in each of the eight study states case managers collect clients' participation hours for both countable and uncountable work activities and all participation hours. However, five of the study states include in their state quarterly participation report only the hours and activities that count toward the federal work requirement, omitting the hours in self-sufficiency related activities that are not countable. The other three states put the noncountable activities in "other." Based on federal work participation data for FY2011, 32 states reported fewer than 5 percent of the total number of WEIs on their caseload as having any "other" (or noncountable) participation hours. Of those states, 17 reported no hours in the category of "other." These states are likely underreporting the actual number of clients engaged in any self-sufficiency activity.

Despite the limitations of the ROEs, they do appear to be a more inclusive measure of actual engagement compared to the federal work participation data. For the ROE, states were instructed to report any type of engagement for the sample, whereas the quarterly reports may not fully capture all engagement because states are not required to report all hours of countable and noncountable activities. As described, some states may exclude those engaged in job search or job readiness or other activities, but for too few hours; activities that do not meet federal requirements; or federal activities that continue beyond the statutory limit.[5] In addition, ROEs capture TANF clients who are engaged in any work or work-related activities and, unlike the federal participation data, includes families with verified and unverified participation hours and activities.

Based on federal participation data, the national average of WEIs with reported zero hours of participation is higher than the average for the WEIs using the ROEs—although the state averages vary. Among the states included in this study, Utah, a state that requires all families to participate according to their ability, has the largest difference since they allow flexibility in the number of participation hours and types of activities assigned. In calculating the number of WEIs with reported zero hours of participation, the difference between the data sources for WEIs was 33.9 percentage points—18.5 percent based on ROE, compared to 52.4 percent based on federal participation data (Table I.1). This illustrates how the federal work participation data can underestimate the actual rate of engagement since the federal participation data did not capture those partially participating or participating in nonfederal work activities. Still, the average difference between these two measures across all states was 3.5 percentage points, with the federal data consistently finding a higher rate of reported zero hours of participation than the ROEs.

[5] According to state TANF administrators and direct service staff, states (and/or case managers) may choose not to report job readiness activities, such as mental health treatment, because they do not want to use up the limited hours available for job search or job readiness assistance. Some respondents indicated that they would rather save clients' hours for the actual time spent in job search activities than include them in federal reporting.

Table I.1. Comparison of ROEs and Federal Participation Reports for Zero Hours

	Total Number of WEIs		Percentage of WEIs with Zero Hours	
Site	WEIs from ROEs (2011) (individuals)	WEIs from ACF Data 2011) (individuals)	WEIs from ROEs (2011)	WEIs from ACF Data (2011)
California	436,164	470,943	58.2	59.7
Connecticut	8,713	8,870	37.7	40.0
Florida	14,245	16,741	36.5	45.2
Iowa	13,929	17,318	38.1	44.1
Minnesota	13,976	14,063	37.1	40.3
New York	103,056	101,467	43.7	54.0
Texas	15,676	17,047	51.3	55.4
Utah	3,184	3,499	18.5	52.4
U.S.	1,236,796	1,293,629	54.5	58.0

Sources: April 2011–June 2011 ROEs and ACF Official State Work Participation Rate data; ACF Federal Work Participation Rates for 2011 (Table 6C).

B. Understanding Work Participation and Families with Reported Zero Hours of Participation

Few studies discuss how the implementation of TANF programs at the state and local levels may influence the number of cases (individuals or families) reported as having zero hours of participation. Also lacking is a consistent measure and/or definition for the number of WEIs with reported zero hours—whether they include only federally defined work activities or program activities more broadly (any self-sufficiency related activity). What we have learned is mostly from research on sanctions and lessons from the ROEs, as follows:

- **Families reported as having zero hours are common.** As stated, the ROEs indicated that more than half of TANF clients are reported to have zero participation hours. While TANF policymakers and program administrators have criticized the value of these reports for cross-state comparison, the ROEs do indicate that a noteworthy percentage of TANF WEIs are reportedly not engaged in any program activity. Program administrators and front-line staff have anecdotally estimated that about half of their clients show up for the scheduled activities (Pavetti et al. 2008).
- **Sanctioned clients tend to be hard to employ.** Studies of sanctioned TANF clients have concluded that those sanctioned for nonparticipation are more likely to have multiple and persistent personal and family challenges than those who participate (Kauff et al. 2004; Pavetti et al. 2004; Kalil et al. 2002; Polit et al. 2001). Common barriers to participation include limited education and work experience, mental and physical health conditions, learning disabilities, criminal histories, domestic abuse, and drug or alcohol addiction. Sanctioned families are typically reported as having zero hours of participation, but may actually have completed some hours and been sanctioned for not participating for the full number of required hours.

- **Multiple factors contribute to the number of families with reported zero hours of participation; however, the magnitude of each of these factors is difficult to quantify.** The ROEs suggest that many factors help explain the reasons for reporting zero hours, including families who are in the sanction process (and are not disregarded because they exceeded the allowable time frame), those under a state exemption, and those in the first month of cash assistance, among others. Another ACF study examined the implementation of strategies for increasing the WPR—such as the implementation of work-based activities (including work experience and subsidized employment), and the use of data to raise awareness about clients' participation and nonparticipation (Pavetti et al. 2008). The study did not look at factors contributing to zero hours, however.
- **Data measuring the number of families with reported zero hours of participation may not provide an accurate cross-state comparison.** States took different approaches to how they defined variables and reported findings for the ROE. As a result, the cross-state comparison of zero hours should be interpreted with caution. The ACF federal participation data may also have problems because the data may be influenced by state monitoring and reporting practices. For example, some states might not report participation for clients who qualified for a state exemption because of documented physical or mental health conditions but are participating in program activities not included in the federal definitions. In addition, some states may pull out a significant number of TANF families and serve them in solely state-funded programs because the state perceives that the families are not participating, and thus will not meet the WPR. This may artificially decrease their number of families with reported zero hours of participation.

C. Research Design and Methods

This qualitative, descriptive study describes some of the factors that might influence the number of families with reported zero hours of participation, and highlights engagement strategies implemented by the state and local study sites. It also describes the current post-recession welfare environment. Three research questions guided data collection for this study:

1. What circumstances explain client participation—or nonparticipation—in federally defined and other work activities?
2. What factors might influence the number of families with reported zero hours of participation?
3. What promising strategies have states and localities implemented to increase engagement, particularly among families with reported zero hours of participation, in federally defined and other work or work-related activities?

Data collection included: (1) telephone interviews with TANF administrators in 30 states and (2) site visits to 11 communities in 8 states, including a review of existing documents. These data collection activities are described in greater detail below.

1. Interviews with TANF Administrators in 30 States

Telephone interviews with TANF administrators in 30 states, including the 8 study states, provided information about the post-recession welfare environment. This study aimed to document the current political and fiscal landscape in which TANF agencies are operating and the key changes

that have occurred due to the recession. Each telephone interview lasted about 60 minutes and was conducted by an experienced research analyst using a semi-structured interview guide.

We selected interview states (Table I.2) based on five criteria: (1) TANF caseloads with more than 3,000 WEIs; (2) representation of at least one state from each of the 10 ACF regions; (3) states with a relatively high WPR (the average across the study sites was 34.4 percent, with a range of 46.1 percent in Florida to 26.8 percent in California);[6] (4) variation in the TANF-to-poverty ratio (that is, the ratio of families living below the federal poverty level (FPL) in a given state to those receiving TANF assistance, based on 2008–2009 data); and (5) states that have recently or plan to redesign their TANF programs. We interviewed most state TANF program administrators between January 2013 and February 2013.[7]

Table I.2. Telephone Interview States

Alabama	Maryland	Ohio
Arizona	Massachusetts	Oregon
California	Michigan	Pennsylvania
Colorado	Minnesota	South Carolina
Connecticut	Missouri	Tennessee
Florida	Nebraska	Texas
Georgia	Nevada	Utah
Hawaii	New Hampshire	Virginia
Illinois	New Mexico	Washington
Iowa	New York	Wisconsin

2. Site Visits to Eight States

Site visits are the primary data source for this study. We used the site visits to better understand the implementation of the work requirements, learn the reasons for zero hours, and find promising engagement strategies. Below, we describe the process for selecting sites and gathering and analyzing data. Site visits were conducted in 2012.

a. Site Selection

Criteria used for site selection mostly focused on the participation measures from the WPR and ROEs.[8] Participation measures included (1) states that reported high levels of engagement (WEIs with nonzero hours of participation), (2) WEIs who met the federal participation rate standards based on the ROEs, and (3) the official published 2009 WPRs. The TANF-to-poverty ratio (based

[6] Site selection was based on 2009 data, which were the most recent data available at the time.

[7] Administrators in the eight states selected for site visits were interviewed prior to those visits.

[8] This qualitative, descriptive study includes two components: (1) a Work Participation Study and (2) a TANF/WIA Coordination Study. Data collection for these programs was designed and executed together. In addition, the TANF/WIA Coordination Study components led the site selection criteria. TANF/WIA coordination site criteria fell into two primary areas: (1) the implementation of TANF/WIA coordination and (2) administrative structures for the delivery of TANF. Sites selected primarily based on work participation criteria included Connecticut, Minnesota, and New York. Those focused on TANF/WIA coordination included California, Florida, Iowa, Texas, and Utah. Findings from the TANF/WIA Coordination Study are captured in the report "Coordinating Employment Services Across TANF and WIA Programs" (Kirby et al. 2014).

on 2008–2009 data) and the average monthly TANF caseload (families) for FY 2011 also were considered.

We selected local sites based on the recommendations of state administrators (Table I.3). We asked for two or three recommendations for local sites that served a large number of TANF clients, achieved a high WPR or level of engagement. Table I.3 and Figure I.1 describe the study states and local study sites.

Throughout this report, we will refer to a site in two ways. When talking about a policy or practice that is implemented statewide, we will use the term "study state." When a particular issue or practice was unique to the site, we will use the term "local study site."[9]

Table I.3. List of Study States and Local Study Sites

Study State	Local Study Site
California	Sonoma County
Connecticut	DSS North (Hartford) DSS South (Norwich)
Florida	Region 14 Pinellas County
Iowa	IowaWorks Region 16 (Burlington)
Minnesota	Hennepin County Stearns County
New York	New York City (NYC)
Texas	Region 6 Workforce Solutions of Greater Dallas
Utah	Wasatch Front North Wasatch Front South

b. Data Collection Procedures and Analysis

Two researchers conducted the site visits—a senior researcher and a research analyst. Site visits lasted between two and three days. Respondents included local TANF administrators, supervisors, eligibility workers, employment case managers, contracted service providers, and community partners. Where possible, we also observed program activities, such as orientation sessions and job search workshops. Researchers covered a broad range of topics, as follows:

- **Site background** (e.g., demographic characteristics, economic environment, local service environment, effects of the economic recession)
- **State and local TANF policies** (e.g., diversion, work requirements, exemptions, sanctions, time limits, use of solely state-funded programs, earned income disregard)
- **State and local administrative infrastructure and service delivery**
- **Reasons for participation, nonparticipation, and TANF families with reported zero hours**
- **TANF caseload, participation, and outcomes data**
- **Successes, challenges, and lessons learned**

[9] In California and New York, the local site does not necessarily reflect practices used throughout the state.

Figure I.1. Description of Study States and Local Study Sites

California (Sonoma County). Among the study sites, California had the largest work-eligible TANF caseload, with 369,906 families, and the lowest WPR (27.8 percent). The unemployment rate in California at the time of the site visit was 9.4 percent; it was much lower in Sonoma County, where we conducted the site visit (6.5 percent). As a county-administered state, localities had considerable discretion in providing TANF employment services. Sonoma County has a fairly large Hispanic population (25 percent). Sonoma County relied on one primary contracted service provider and several subcontractors to provide TANF employment services.

Connecticut (DSS North and South). Connecticut had the highest work participation rate of the study sites, at 59.2 percent, and a work-eligible caseload of 6,808 families, with an unemployment rate of 8.1 percent at the time of the visit. State Department of Social Service (DSS) workers handled all eligibility and assessment functions, whereas the state Department of Labor was responsible for employment and training services for TANF clients. The Department of Labor contracts with the five local workforce investment boards (WIBs) to provide employment and training services for TANF clients. WIBs then subcontract with local for-profit and nonprofit agencies that provide the direct service to TANF clients. Budget cuts, staffing reductions, and soaring SNAP caseloads left high workloads for state TANF program staff and contracted service providers. DSS North (Hartford) had the largest TANF caseload in the state, and DSS South (Norwich) offered a more rural perspective.

Florida (Region 14 Pinellas County). Florida had a work participation rate of 44.8 percent, with 12,769 work-eligible families, and an unemployment rate of 7.5 percent. The state Department of Children and Families handled eligibility, whereas the state Department of Economic Opportunity provided employment and training services for TANF clients. Pinellas County has a high WPR (comparable to the state average) and a strong emphasis on placing TANF clients in education and training.

Iowa (IowaWorks Region 16). Iowa had the lowest unemployment rate among the study states, at 4.9 percent, and an average work participation rate of 37.6 percent. The total work-eligible caseload in Iowa was 11,351 families. The contract in IowaWorks Region 16 for TANF employment services is held by a community college that is also the WIA entity and local American Job Center (AJC) operator. Among the local sites in this study, it was the only one that routinely enrolled TANF clients in WIA services.

Minnesota (Hennepin and Stearns counties). Minnesota has a state-supervised, county-administered structure in which local counties have flexibility in how to provide services. The state had a relatively low unemployment rate (5.4 percent) and a TANF caseload of just over 10,000 work-eligible families (10,414). The state achieved a 43.9 percent WPR by serving a large number of hard-to-employ families in a solely state-funded program. Hennepin County, which has one of the highest TANF caseloads in the state, contracted with 18 different TANF employment service providers. Stearns County, a more rural site, contracted with the local AJC to provide employment services.

New York (New York City). New York, a county-administered state, had the second highest TANF caseload in the country, with 85,889 work-eligible families. Despite a range of state exemptions and the use of partial sanctions, the state has achieved a relatively high WPR, at 33.8 percent. New York City contracted with seven local for-profit and nonprofit agencies to provide TANF employment services. New York City produced regular reports with very detailed information about the engagement status of its caseload.

Texas (Region 6 Workforce Solutions of Greater Dallas). Texas had a TANF work-eligible caseload of 15,749 families. It achieved a WPR of 39.4 percent. The state unemployment rate was lower than the national average, at 6.4 percent. In Texas, the Health and Human Services Commission handled TANF program eligibility and the Workforce Commission provided employment services. In Region 6, Workforce Solutions of Greater Dallas, the local AJC operator, was the TANF employment services provider.

Utah (Wasatch Front North and South). Among the study sites, Utah served the fewest number of work-eligible TANF families, at 3,353. Utah achieved a 26.3 percent WPR. The state boasted a low unemployment rate of 4.9 percent and a strong employment or work-first approach. It was the only study site that operated an integrated TANF and WIA agency, and the only site that implemented a “universal engagement” approach, in which all clients are subject to the work requirements (no state exemptions). Although we visited two local sites, Wasatch Front North and South, the program model was uniform statewide.

Note: All caseload and work participation rate data are from ACF federal reporting for 2011. Unemployment rates are for March 2013, the end of data collection. The TANF-to-poverty ratio data are based on ACF 2008–2009 caseload data and were calculated by the Center on Budget and Policy Priorities.

To supplement data collected while on site, researchers reviewed policy manuals, management reports, organizational materials, and state ROEs to better understand TANF program characteristics and service trends. After each site visit, we carefully coded each interview, using Atlas.ti software. We then analyzed data within and across sites to identify key themes and potential promising practices.

D. Roadmap for the Report

In this report, we summarize findings from the telephone interviews with state TANF administrators and site visits. We describe the current TANF program environment (Chapter II), reasons for families with reported zero hours of participation in federal work activities (Chapter III), and strategies for increasing engagement and program outcomes (Chapter IV). In the final chapter, we share the conclusions of this study (Chapter V).

II. CURRENT TANF PROGRAM ENVIRONMENT AND ZERO HOURS OF PARTICIPATION

TANF agencies are operating in a challenging post-recession environment with increasing program demands and limited fiscal and staff resources. When the recession hit, many states were still seeking to address changes required under the Deficit Reduction Act (DRA) of 2005.[10] States invested funds in technology, staffing, and revisions to their management information systems (MIS) to monitor and verify work activities more effectively and thoroughly. The recession brought about additional fiscal and other resource challenges. This chapter, based on findings from telephone interviews with 30 state TANF administrators, describes the current environment in which TANF agencies operate and the implications for families with reported zero hours of participation. We asked TANF administrators open-ended questions in four main areas: (1) the TANF program environment, (2) policy and procedural changes to increase the WPR, (3) work participation and engagement, and (4) calculating and reporting the WPR and other outcome measures. We have supplemented information gathered from the interviews with existing analysis of recent trends in the public welfare environment. A complete summary of these findings is available in, "Serving Welfare Recipients in a Post-Recession Environment" (Brown and Derr 2014).

A. Changing Demands Within the State TANF Program Environment

Through interviews with state program administrators, we identified four primary areas in which TANF programs have changed since the beginning of the economic downturn in 2008. States talked about the decrease in the value of the TANF block grant, cuts to state and local funding to support TANF programs, an increase in the demand for public assistance programs, and high unemployment with fewer full-time jobs. Although some of these changes began before the recession, the effects of the downturn may have accelerated or intensified the effects.

- **Decrease in the value of the TANF block grant.** During the telephone interviews, TANF administrators talked about the eroding value of the block grant. The Congressional Research Service recently estimated that the total value of the block grant decreased by 30.1 percent since the implementation of PRWORA (CRS 2013). Two factors limit the funds available to serve TANF recipients. First, the overall value of the block grant has not been increased or adjusted for inflation in the nearly 20 years since PRWORA was implemented. Second, state legislatures have reallocated substantial portions of TANF funds to pay for services such as child welfare, emergency assistance, and youth services (Derr et al. 2009; Schott et al. 2012).
- **Cuts to state and local funding to support TANF programs.** Government programs across the board suffered the adverse effects of budget constraints. Budget cuts in social service programs were common as a result of the economic recession. Of the 30 states studied, 25 experienced TANF program budget cuts from the state level, though they still continued to meet their Maintenance-of-Effort (MOE) requirement to draw down their federal TANF block grants.[11] There may also be situations where TANF funds are

[10] For TANF agencies, the DRA brought about significant changes that increased the effective WPR target for many states. Although the types of activities remained the same, changes in the federal definitions of activities, how states reported and verified participation, who was counted in the WPR calculation, and the recalibration of the caseload reduction credit increased the pressure for states to engage TANF clients in federally defined work activities.

[11] To meet their MOE requirement, states must spend 80 percent (or 75 percent, if they meet their WPR targets) of the total amount spent on welfare and welfare-related programs in 1994.

transferred from state welfare programs to fill budget gaps in other programs that meet one of the four purposes of TANF (for example, child welfare or emergency assistance). TANF budget reductions varied across states, from less than 1 percent in Colorado to 50 percent in Illinois. Five states did not experience any budget cuts from the state level during the economic downturn. However, these states stressed the difficulty of operating their TANF programs with limited resources as a result of the decreasing value of the TANF block grant.

- **Increase in the demand for public assistance programs.** From the start of the economic downturn to date, public assistance caseloads increased, placing greater demands on the eligibility and case management resources within human service agencies. For example, from FY 2007 to FY 2012, SNAP participation increased by 89.4 percent (see Appendix A). Among the 30 study states, about half (17 states) experienced increased TANF caseloads during that time, ranging from a high of 109.2 percent in Oregon to a low of 3.5 percent in Washington State.
- **High unemployment, fewer full-time jobs.** Twenty-five of the 30 administrators interviewed reported that TANF clients faced an increasingly competitive labor market. At least 28 state administrators noted a general lack of jobs, with fewer job placements for TANF clients as a result. At least 15 state administrators reported that TANF clients were spending more time in job-search activities. Although not confirmed by employment data, at least 16 state administrators reported that employers with entry-level positions—those traditionally sought by TANF clients—were requiring more experience from workers than before the recession. Of the 30 states studied, 17 reported that TANF clients increasingly were working in part-time rather than full-time positions.

B. Responses by State Governments and State and Local TANF Agencies

State governments and local TANF agencies have taken significant steps to address the current trends of funding pressures and doing more with less, as reported by interview respondents. First, states and localities have made explicit attempts to reduce program costs. They have made changes that reduced the number of administrators and staff, reduced the total amount of the TANF cash grant to families, and decreased the amount and types of work and personal supports available to address barriers to employment. Second, state legislators and program administrators have made policy and eligibility changes to limit the number of people who can apply and qualify for a cash assistance grant. Third, they have made modifications to their contracts with employment service providers. In many cases, they have reduced the total dollar amount of the contract but increased or held steady the number of clients to be served. Finally, they have assessed and, in some cases, redesigned employment services and reprioritized performance outcomes from a focus on participation to one on employment.

- **Explicit efforts to reduce program costs by staff reductions, decreasing the amount of cash assistance, and decreasing the amount and types of supportive services.** States have implemented strategies to do more with less by reducing staffing, adjusting TANF cash grants, and reducing available work and personal supports. Twenty-six of the 30 states studied have experienced staff reductions in the TANF program since 2008. Implementing layoffs, furloughs, and early retirement packages, and not filling vacancies were some of the ways that states have reduced the number of administrators and front-line staff. In addition, administrators in five states—California, New Mexico, South Carolina, Washington, and Wisconsin—reported having to reduce

their monthly cash assistance benefits. Seventeen of the 30 state administrators interviewed reported decreases to support services such as transportation, clothing assistance, and other support programs, such as energy assistance.

- **Limiting TANF caseload growth.** At least 11 states have responded to increased caseloads with explicit legislative and administrative initiatives designed to contain caseload growth. Other states have implemented up-front program requirements, which can reduce the number of new cases, and streamlined their sanctioning processes to more quickly remove nonparticipants.
- **Modified contracts with local employment service providers.** At least 20 states have reduced the total value of contracts with service providers, which required them to serve a greater number of participants, or both. Seventeen of the 30 state administrators reported reductions in funds for contracted service providers. Contractors responded by cutting service options for TANF clients (such as workshops), reducing staff, and spending less per participant.
- **Rethinking TANF practices and performance measures.** Working with fewer resources, states have made efforts to improve efficiency and program performance. For example, one state was planning to begin using data to raise awareness of program progress and overall performance. Another state was in the process of implementing an extensive assessment process for all TANF applicants and ongoing cases to improve the quality of individualized case management. Another program recently overhauled its TANF program—including adding a process for triaging clients and placing them in service tracks that reflect their job skills, abilities, and service needs—with the goal of improving participation and employment outcomes through more targeted services.

C. Implications for the Number of Families with Reported Zero Hours of Participation

The circumstances described above, including limited staff and fiscal resources within the current welfare environment, may influence the ability of state administrators to address the number of families with reported zero hours of participation. Interviews with TANF program administrators revealed the reverberating effects of budget and staffing cuts. High workloads and caseloads reduce the time available for thoroughly assessing clients and assigning them to work activities tailored to their interests and service needs. Failure to identify barriers that might interfere with work or place clients in activities where they feel encouraged or interested might increase the number of individuals with reported zero hours. In addition, high workloads may interfere with timely and accurate monitoring and tracking. Clients reported to have zero hours of participation might go unnoticed because there are too many cases to track. Furthermore, case managers juggling high caseloads (more than 100 cases) are likely to have less time to re-engage clients who have stopped participating in the program or complete other case management functions.

In addition, state TANF administrators talked about having fewer dollars to pay for work supports and personalized services to address barriers that may interfere with participation and employment. They reported delays with child care authorizations, limited transportation assistance, and reductions in specialized services as some of the consequences of funding cuts. Problems with accessing child care and transportation services may create gaps of months of zero hours when programs do not require clients to participate until the barrier is overcome. In addition, clients may not have the resources they need to address issues, such as mental health problems and drug and alcohol addictions, which might be contributing to their lack of participation.

Finally, respondents talked about using available resources to help those who, with a small investment, were able to get a job. With fewer resources, states are targeting their resources toward families for which they can achieve the greatest benefits in meeting program outcomes. Such a strategy may fail to serve hard-to-employ TANF clients, who often require larger investments of a case manager's time, work, and personal supports, and a broader range of service options to keep them engaged and help get them a job.

This context of the TANF program environment within 30 states lays the foundation on which to better understand the potential influences on reported zero hours of participation among TANF families. In the next chapter, we delve deeper into these influences based on the findings from site visits.

III. REASONS FOR REPORTED ZERO HOURS

The reasons for reported zero hours of participation among TANF clients in work and work-related activities are complex and difficult to quantify. Although we identify some of the contributing reasons or factors in this study, we cannot precisely calculate the total impact of each factor on the number of families with reported zero hours of participation. Adding to the complexity is the variation in the reasons within and across states. Still, we identified nine primary factors that, according to TANF administrators and direct service staff, appear to affect the number of clients reported to have zero hours. We grouped these factors into three categories: (1) TANF policies and procedures, (2) service delivery and performance management, and (3) initial activities and ongoing transitions. Our analysis was based on telephone interviews with state TANF administrators, site visits, and TANF program document reviews. This study does not include data collected from TANF program participants. In this chapter, we describe each of the factors by the different categories.

A. TANF Policies and Procedures

We identified four factors that fall into the category of TANF policies and procedures. The first factor is policies that influence the caseload composition, such as state exemptions and sanction policies and procedures. These appear to have the greatest influence on the number of families with reported zero hours of participation, particularly when relying on the federal participation data to calculate the rate because the data do not capture engagement in activities that are not federally defined. These clients may be participating, but not counted in the federal work participation data because states are not required to report on individuals with countable hours that fall short of the federal work requirement or on individuals involved in self-sufficiency activities that are not countable. The second factor—an extended process for implementing sanctions—occurred only in some sites. Sanctions are financial penalties for noncompliance with program requirements. The process for initiating and imposing a sanction may be extended due to the sanction policies and procedures or because there were problems with implementation or both. Third, clients non-report of participation hours and activities—whether because they were not asked or because they failed to report them—may increase the number of families with reported zero hours of participation. According to TANF administrators and direct service staff, delays in reporting hours were common and due to a variety of factors including failures to complete the required hours, inconvenient processes for reporting, and difficulties balancing family and TANF program responsibilities, among others. Finally, there were problems with reporting tools and practices within the state TANF agency where those who were participating were not captured in federal reporting. We discuss each of these factors in greater detail below.

1. State Exemptions and TANF Sanction Policies

TANF policies influence the caseload composition and may inherently increase the number of families with reported zero hours of participation through state exemptions and safeguards in sanction policies. In either case, state policies that were present in the eight study states visited were typically legislative decisions that were beyond the control of the state TANF agency. Policies that kept nonparticipants on the caseload were intended to create a safety net for families in which a parent might have a documented short-term disability or other circumstance that interfered with their ability to work. Policies that imposed consequences by removing nonparticipants from the caseload were meant to instill greater accountability on the clients but ran the risk of eliminating support for families in need.

a. State Exemptions for Documented Disabilities and Extenuating Circumstance

Broadly defined state exemptions from the work requirements for TANF clients—designed to support families with documented personal and family challenges—might increase the number of families with reported zero hours of participation because state exempted individuals are still included in federal participation measures. Exemptions typically require formal documentation from a licensed physician or mental health provider and are revisited periodically (monthly or quarterly, depending on the reason for the exemption) to determine if the client's status has changed. In addition, TANF agencies typically request that the physician or provider make a recommendation for the types of activities and number of hours to include in the client's service plan. The expectation is that the client's situation would improve and, at a later date, the client might fully participate. We do not know the actual rate of engagement of these families because the state might not track this information or, if they do, they may not include their hours and activities in the federal work participation reporting. They may be participating, but included among the families with reported zero hours of participation. Still, for this analysis, we used two indicators for gauging the extent to which exemptions influenced the number of families with reported zero hours of participation: (1) including a range of exemption criteria and (2) exempting a quarter or more of the caseload.

- **State exemption policies that include a variety of conditions or circumstances.** In five of the eight study states visited, exemption policies included three or more criteria (Table III.1). Exempting for a range of conditions or circumstances may increase the number of individuals who qualify for an exemption and, potentially, increase the number of families with reported zero hours of participation. Examples of state exemptions implemented in the study states included a documented physical or mental health condition, caring for a disabled family member, and caregiving for a child younger than 2. As stated, those with a physical or mental health condition may be participating, but not captured in the federal work participation data. As a result, they would be included among the families with reported zero hours of participation.
- **Exempting a sizeable portion of the TANF caseload.** Among the study states, California, Connecticut, New York, and Texas exempted a quarter or more of their caseloads from the work requirements.[12] In Connecticut and Texas, state administrators estimated that roughly half of their caseload was exempt; in Iowa, a quarter was exempt.[13] In New York, state administrators estimated that about a third of the state TANF caseload was exempt. As of January 1, 2013, California reversed a state exemption policy for parents with children between 12 months and 23 months old or for families with two children under 6. The original policy, implemented to decrease the cost of employment services and child care, counted against the state work participation rate and increased the number of families with reported zero hours of participation because those exempted were not required to participate but were still included in participation calculations for federal reporting purposes.

[12] By comparison of the site visit states, Minnesota places clients that would be exempt under these other states' policies in a solely state-funded program.

[13] Based on findings from the site visits, the proportion of TANF recipients with state exemptions are underestimated in the ROEs. For example, in Texas, the state reported during our interviews that about half of their caseload is exempt from the work requirements, a figure that is closer to 25 percent in the state's ROE.

Table III.1. TANF Policy and Procedural Factors That May Influence the Number of Families with Reported Zero Hours of Participation

	State Exemptions and TANF Sanctions			Extended Process for Implementing Sanctions			Lack of Complete Reporting of Hours and Activities			Problems with Reporting Tools and Practices	
State (Local Study Site)	Three or More Exemption Criteria	25% or More of TANF Caseload Exempted	Use of Partial or Gradual Full-Family Sanctions	Case Manager Discretion with Nonparticipant Outreach	Standard Sanction Procedures Taking Longer Than 30 Days	Frequent Delays with Sanction Process	Monthly Reporting of at Least One Activity	Clients Reporting to Employment Case Manager	Average Caseloads of 80 or More Clients	Reporting Practices That Excluded Nonfederal Participation Hours	Possible Errors When Merging Data from Multiple Systems
California (Sonoma County)	X	X	X	X				X		X	X
Connecticut (DSS North)	X	X	X	X	X	X	X	X	X	X	X
Connecticut (DSS South)	X	X	X	X	X	X	X	X	X	X	X
Florida (Pinellas)					X				X	X	X
Iowa (Burlington)				X			X	X	X	X	
Minnesota (Hennepin)	X		X	X	X	X	X	X	X		X
Minnesota (Stearns)	X		X	X	X	X	X	X	X		X
New York (New York City)	X	X	X		X			X		X	
Texas (Dallas)	X	X		X	X			X	X	X	X
Utah (Wasatch Front South)										X	
Utah (Wasatch Front North)										X	

Source: Interviews were conducted with TANF administrators in the eight study states, visits to 11 local sites in the eight states, and document reviews in each study state and local site.

Utah was the only study state with universal engagement where no clients were exempt from the work requirements. Instead, clients were required to participate at their "maximum ability," allowing flexibility with hours and activities for those with documented barriers to employment. Operating under a universal engagement policy does not guarantee greater participation, but signals that any participation is encouraged and, therefore, may decrease the number of clients with zero hours. However, this is not reflected when calculating the rate using federal participation data because the calculated number of families with reported zero hours of participation does not capture engagement in nonfederal activities.

b. Use of Partial or Gradual Full-Family Sanctions that Create a Safety Net for Low-Income Families

All sanctions—the penalties for failure to participate in work or work-related activities—are aimed at holding clients accountable. But the stringency of the sanction policy can influence the number of families with reported zero hours of participation. Full-family sanctions remove nonparticipants from the caseload quickly, but, as studies have documented, may create material hardships for these families (Pavetti et al. 2003). Partial and gradual full-family sanctions may keep nonparticipants on the TANF caseload rather than removing them immediately, but serve as an important safeguard for TANF families because a partial grant continues, at least for a time. California and New York, the states with the largest TANF caseloads, have implemented partial sanctions in which the cash assistance grant is reduced. According to the ROEs with June to August 2011 data, close to a fifth (18.6 percent) and more than a third (36.1 percent) of TANF families reported to have zero hours of participation were in sanction status in California and New York, respectively.[14]

Study states with processes that require multiple outreach attempts and an in-person conciliation review want to identify client nonparticipation that is the result of hidden barriers. This type of approach can keep families with reported zero hours on the caseload for an extended period of time. Connecticut and Minnesota, for example, implemented gradual full-family sanctions with a partial grant reduction before the full-family sanction was imposed—a process that can take up to seven months. Conversely, sanction policies that rapidly terminate families for noncompliance may miss identification of barriers and end up denying these families benefits. In addition, there is no evidence to suggest that states with different approaches to sanction policies achieve different levels of engagement.

2. Extended Process for Implementing Sanctions

Program administrators across the sites reported that nonparticipants in various stages of the sanction process accounted for some families with reported zero hours of participation in federal data. There are three phases of the sanction process: the outreach phase (phase one), the time between the initiation of a sanction and when it is imposed (phase two), and the phase for imposing the sanction (phase three). The outreach phase begins when a case manager first identifies that the client has stopped participating (or failed to report their hours). During this phase, case managers may make attempts to contact clients to determine why they are not participating. If re-engagement efforts fail, the case manager may move to the second phase and initiate a sanction. Once the sanction process is initiated, states typically have well-defined processes for notifying the client (for example, the number of notices to be sent, timing between notices, and a conciliation process). If

[14] California and New York have partial sanctions.

the client does not re-engage, then the case manager may progress to phase three and impose the sanction. The process for imposing the sanction is straightforward—an eligibility worker changes the client's eligibility status in the state MIS. While the ROE indicates that 8.6 percent of families with reported zero hours were in sanction status, state work participation data only captures families where a sanction has been initiated (phase two) or imposed (phase three). TANF administrators and staff indicated that families may be in the nonparticipant outreach of the sanction process (phase one). Indicators for each stage are discussed below.

- **Case manager discretion with nonparticipant outreach.** At three of the local sites visited, case managers had considerable discretion regarding when to initiate a sanction. Some case managers made several attempts to engage their clients during phase one before initiating sanctions, while others initiated sanctions immediately. Four other sites allowed some discretion with nonparticipant outreach. Respondents indicated that re-engagement efforts during phase one could sometimes be less work than re-engaging them during phase two of the sanction process. However, case manager workloads also may influence the decision about when to initiate a sanction. A case manager who does not work closely with a family has less information to make a decision about when to sanction. As a default, many case managers follow policy and immediately initiate a sanction. Case managers who know their clients' circumstances might work longer with them before initiating sanctions. In addition, they might be more inclined to provide a second chance if they believe a sanction might be a hardship for a family. Although giving a case manager discretion can help with re-engagement efforts because he or she is aware of their clients' circumstances, the practice might increase the number of families with reported zero hours of participation because nonparticipants stay on the caseload longer.

  Three other local study sites created standardized outreach requirements to bring clients into the sanction process more quickly and to create greater consistency among case managers with outreach efforts. For example, in Utah, the state recently defined an outreach standard of three contact attempts before initiating a sanction, a policy implemented statewide. Florida hired a designated case manager to conduct outreach to clients who would be sanctioned for nonparticipation.

- **Standard sanction procedures for imposing a sanction take longer than 30 days.** All of the study states and local study sites created a standardized process for initiating and imposing a sanction. These procedures defined the number and timing of sanction notices; the conciliation process, if any; and any additional outreach, such as home visits. For the most part, these processes were clearly defined and could be imposed quickly. However, there was one administrative delay to the process for imposing a sanction. The date in which the sanction was initiated could delay the date in which the actual penalty took effect. For example, if a sanction were imposed on January 22 with a cutoff date on the 20th of the following month, then the sanction would not take effect until March because the February TANF grant would already have been issued. This delay might add another month of zero participation if the client had not been re-engaged. In seven local study sites (5 states), the standard sanctioning process for imposing a sanction took longer than 30 days. Although the sanction process in New York City could be completed in under 30 days (as few as approximately 25 days), most cases required more than 30 days to impose a sanction.

- **Reported frequent delays with sanction process.** Respondents discussed three different reasons for delays with the sanction process. First, high workloads might

interfere with the sanction process. In one study state, high workloads delayed scheduling and carrying out a conciliation review process for up to nine months (phase two delays). Case managers at a local study site said that eligibility workers could take up to five months to impose a sanction because of workload backlogs (phase three delays).

Second, an extensive conciliation process—where the client and TANF case manager meet to discuss the client's reasons for not participating and what services may be required to re-engage the client—would delay imposing a sanction. This process could keep those with reported zero hours on the caseload longer but serve as a safeguard for TANF families by allowing the case manager to probe deeper to uncover and address hidden personal and family challenges.

Third, the clients' actions might draw out the sanction process. For example, they might reschedule conciliation appointments, or temporarily participate but fail to stay engaged. This would keep the nonparticipants on the caseload longer. Although respondents at each of the sites mentioned one or more of these challenges, in 4 of the 11 local study sites, respondents noted persistent delays with the sanction process.

3. Lack of Complete Reporting of Hours and Activities

Delays by clients in reporting participation were common across the sites and reportedly contributed to increases and fluctuations in the number of families with reported zero hours of participation. Overall, respondents estimated that about half of clients submitted their timesheets when they were due. From the perspective of case managers, the reasons for delays included failures to complete the required hours, inconvenient processes for reporting (for example, lack of access to a fax machine or the TANF office was too far away), difficulties balancing family and TANF program responsibilities, and a belief that consequences for failing to submit timesheets would not be imposed. Agencies may take action to prevent delays with reporting timesheets and respond quickly when they are not submitted on time. We identified three indicators related to reporting, described below, that may contribute to individuals reported to have zero hours.

- **Monthly reporting for at least one activity.** Infrequent reporting may contribute to the number of individuals listed as having zero hours. More frequent reporting allows case managers to quickly identify and re-engage nonparticipants; whereas, with monthly reporting, the client may not be engaged for at least a month before the case manager discovers that they have stopped participating. Among the 11 local study sites, 5 sites reported at least one activity monthly, while 2 sites reported biweekly (Table III.1). The remaining 4 local study sites required clients to report their participation hours weekly.
- **Clients reported to an employment case manager, rather than submitting their timesheets online.** In most cases—8 of the 11 local study sites—clients were required to submit hard copy reports to their employment services case manager, a process that might increase the number of families with reported zero hours of participation because it typically required showing up at the TANF agency. Thus, families may have participated but found the process of reporting hours too cumbersome. By comparison, in Utah, clients statewide entered their job search hours directly into an online tracking system.
- **Average caseloads of 80 or more clients.** Caseload size appeared to influence the ability of case managers to follow up with clients who did not submit their timesheets. High caseloads can be an indicator of the extent to which a case manager is aware of and

can respond to nonparticipation shortly after it occurs. In 7 of the 11 local study sites, employment services case managers had caseloads of 80 or more clients.[15] Caseloads were particularly high with contracted service providers. Of the 8 sites that contracted out either all or a portion of their employment services case management, 6 sites had caseload highs of 100 cases or more per worker.

4. Problems with Reporting Tools and Practices

States must account to the federal government for the participation of those TANF clients who are subject to federal work requirements. As a result, states have invested heavily in, and have clearly defined processes for, monitoring, verifying, and reporting client participation in activities countable toward federal participation rates. But our visits to the study sites revealed multiple instances where there were either problems with gathering participation data from clients or MIS systems that did not fully capture participation for state-exempt clients, as well as instances where data were lost or altered when merging data systems.

- **Reporting practices that excluded nonfederal participation hours.** State reporting practices might not capture all those engaged in work activities. For example, clients who are exempt from participation based on state-defined criteria might be engaged in program activities such as mental health or substance abuse treatment, but not count in the federal reporting as these are not included in federally defined work activities. For example, Utah, a universal engagement state, requires clients with documented physical or mental health disabilities to participate in program activities, but allows flexibility with the number of hours and types of activities. Utah only reports verified hours for federal reporting and does not verify these hours as they don't count toward the WPR. Underreporting actual participation might also occur for parents participating in activities such as job search or postsecondary education beyond the statutory limitation for these activities. In one state, program administrators estimated that 30 to 40 percent of those in job search activities had gone beyond the federal statutory limit. In addition, about a quarter of clients assigned to education and training activities had exceeded 12 months and were not counted in the federal rate. In each of these cases, although included in the denominator of the WPR, states might not report the participation hours because they knew that they wouldn't count in their WPR. As a result, clients might have been engaged, but appeared as having zero hours.

  Other reporting practices might also fail to capture engaged clients. For example, in one state, a client was working but did not receive a paycheck within a reporting timeframe. The client would have completed the hours but because there was no paycheck to verify paid employment, the system generated an error for federal reporting. According to the state data specialist, cases like this one were showing up in the federal data reporting as having zero participation hours. In 9 of the 11 local study sites, reporting practices may exclude noncountable participation hours.

- **Possible errors when merging data from multiple systems.** Merging data from contracted service providers or with other state agencies might create reporting errors. In some cases, contracted providers noted discrepancies between what they reported to the

[15] In three of the local sites, the TANF agency contracted with more than one provider. The caseloads varied, but case managers typically carried more than 80 cases each. New York City contracted service provider staff generally have functional roles and clients interact with different staff for different purposes, such as intake, workshops, job placement, job retention.

state and the reports generated by the state regarding their performance. For example, one of the providers in a local study site estimated that they lost 10 percentage points of participation because of data errors. They said that eligibility workers didn't properly code some cases, which meant that some clients who were fully engaged weren't counted and those who should have been removed from the count were included. They also described errors while entering participation data for working TANF clients.

In addition, state agencies discussed how performance data were altered when merging different data systems—for example, when the state human services agency handled TANF eligibility while employment services were managed by the state department of labor or Department of Employment and Economic Development (as occurs in Texas, Florida, Iowa, and Connecticut). State data specialists in one study state said that the data matched between 80 percent and 90 percent of the time after the systems were merged. They noted that mistakes were relatively common. In another state, they not only had problems with merging data systems, but also had difficulty managing an "antiquated" data system. Based on interviews with case managers and a data specialist, the system reportedly broke down about three times a week, and data that had been entered were lost. At the time of the site visit, efforts were under way to modernize the system. However, according to state program administrators and the data specialist, it would take at least a year to implement the improvements. Among the local study sites, respondents in seven sites talked about potential data errors. There is no way to determine the magnitude of the problem or whether this occurs in the other study sites.

Most of the states had data quality specialists who review a sample of the cases to check for information accuracy. These practices help improve data quality by identifying training needs and correcting mistakes in the case files. However, they do not detect all the data errors.

B. Service Delivery and Performance Management

We identified three service delivery and performance management factors that appeared to influence the number of families with reported zero hours of participation. Like the factors related to TANF policies and procedures, these three factors influence a noteworthy proportion of the TANF caseload and were mentioned frequently by study respondents. However, for local study sites, it is difficult to quantify the frequency, duration, and direction of the influence on the number of families with reported zero hours of participation. The service delivery and performance management factors include: (1) ineffective assessment practices; (2) limited resources to provide work activities and address barriers; and (3) a focus on participation and employment outcomes, not zero hour cases.

1. Ineffective Assessment Practices

Assessments of clients' needs give case managers critical information for case planning. Assessments serve three primary purposes in TANF programs: (1) to identify those who may be exempt from the work requirements, (2) to assign clients to work activities based on their level of employability and work interests, and (3) to identify barriers to participation and work. TANF programs in each of the local study sites used a quick, up-front screening process to identify those who might qualify for an exemption. In addition, case managers might identify hidden barriers that may meet the exemption criteria once the client starts participating. During the site visits, case managers in one local study site talked about the benefit of quickly identifying and exempting those

with personal and family challenges—the typically labor-intensive cases—from their individual caseloads. This reduced the workload and maintained cash assistance to hard-to-employ families.

Although the process for identifying potential exemptions was relatively straightforward, the assessment tools and process for assigning clients to work activities and identifying barriers to employment appeared to be more complex. In general, TANF programs that offer weak assessments might be at risk for having families with reported zero hours on their caseloads because the clients may be disinterested in the services assigned to them or they may have barriers to work that go unaddressed. However, an effective assessment process can have mixed effects on families with reported zero hours of participation. An effective assessment might be used to match clients to activities and services that increase their likelihood of engagement, decreasing the number of families with reported zero hours of participation. However, an effective assessment might also uncover clients' hidden barriers to employment and provide documentation for an exemption.

During the site visits, we uncovered indicators that may determine the extent to which the assessment process influences families with reported zero hours of participation. These indicators are described below.

- **Unstructured assessment tools and processes.** All of the study states had a structured process in place for assessing clients (Table III.2). However, the level of structure, skills of case managers, and intensity of the assessment process varied across the local study sites. Most assessments took between 30 minutes and 60 minutes. Case managers asked clients basic questions about their work history, educational attainment, work interests, and potential service needs. Four of the study states—Connecticut, Iowa, Minnesota, and Utah—as well as New York City, used a standardized employability and barrier identification assessment tool.[16] In other sites, contracted service providers decided which tools to use. One study state, Connecticut, required all state eligibility workers to conduct the initial service needs assessment and then shared assessment results with the contracted service provider. The criticism of this approach was that clients had to retell their story to the contracted service provider. This process also sometimes created confusion where clients were unclear about which person was their case manager. The benefit was that the assessment was thorough and consistent across the state.

  In at least five local study sites, clients completed all or part of the assessments prior to their first appointments—either by completing written documents or online programs. Case managers reviewed the assessment responses with the clients during the initial planning. Relying on clients to complete self-assessments online or on paper was more efficient, saving case managers' time, and may have allowed clients to be more candid about their barriers. However, case managers may have missed the opportunity to build trust and create working relationships with their clients. Across the local study sites, it was difficult to gauge the quality of these assessments and the potential ways in which they may have contributed to families with reported zero hours of participation.

[16] Minnesota used an employability assessment that covered 11 primary service areas: (1) transportation, (2) dependent care, (3) education, (4) housing, (5) social support, (6) child behavior, (7) financial, (8) legal, (9) safe living environment, (10) health, and (11) workplace skills.

Table III.2. Service Delivery and Performance Management Factors That May Influence the Number of Families with Reported Zero Hours of Participation

	Ineffective Screening and Assessment Practices			Limited Resources to Provide Work Activities and Address Barriers				Focus on Participation and Employment Outcomes, Not on Zero Hour Cases	
State (Local Study Site)	Unstructured Assessment Tools and Processes	Large Workloads That Limited Ongoing Assessments[a]	Lack of Specialized Assessments	Narrow Range of Work-Based Activities	Limited Resources for Work Supports	Large Workloads That Limited Individualized Case Management[a]	Lack of Specialized Services	Did Not Use Zero hour Data for Program or Case Management Decisions	Emphasis on Employment Over Participation Outcomes
California (Sonoma County)				X				X	
Connecticut (DSS North)		X	X	X		X	X	X	
Connecticut (DSS South)		X	X	X		X	X	X	
Florida (Pinellas)		X	X	X	X	X	X	X	
Iowa (Burlington)		X	X	X	X	X	X		
Minnesota (Hennepin)		X	X	X	X	X	X	X	
Minnesota (Stearns)		X	X	X	X	X	X	X	
New York (New York City)		X				X		X	X
Texas (Dallas)		X	X	X	X	X	X	X	X
Utah (Wasatch Front South)				X				X	X
Utah (Wasatch Front North)				X				X	X

Source: Interviews were conducted with TANF administrators in the eight study states, visits to 11 local sites in the eight states, and document reviews in each study state and local site.

[a]Large workloads were defined as 80 or more cases per case manager or in sites where respondents consistently indicated that the employment services staff managed large workloads.

- **Large workloads that limited ongoing assessments.** At nearly all sites, assessments were typically conducted at the beginning of the process, with limited ongoing assessments to identify additional barriers. High caseloads or workloads appeared to decrease the level and intensity of ongoing interactions between clients and case managers. As a result, according to direct service staff, clients may not disclose personal and family challenges that interfere with participation in program activities. In 7 of the 11 local study sites, caseloads were greater than 80 cases per worker, contributing to large workloads.

- **Lack of easy access to specialized assessments.** Even though each of the study sites had a screening and assessment process in place, these processes were often not effective in detecting complex barriers. Only two of the study states—California and Utah—as well as New York City, offered specialized clinical assessments for those with potential mental or physical health conditions, drug or alcohol addictions, domestic violence situations, or learning disabilities. For example, clients with potential disabilities in New York City were referred to the Wellness, Comprehensive Assessment, Rehabilitation and Employment (WeCARE) program for an intensive biopsychosocial assessment conducted by board certified physicians and medical specialists and licensed clinical mental health providers. Specialized assessments were particularly useful because clients might have physical or mental health conditions of which they were unaware. As a result, they didn't disclose the issues to their case managers. For example, a client might be labeled as "belligerent," "unmotivated," or as "having a bad attitude." In reality, the client could be exhibiting symptoms of depression—irritability, fatigue, and despair. Younger clients, in particular, might not have had their conditions accurately diagnosed. These specialized assessments provide an opportunity for these conditions to be diagnosed and treated. Other local study sites relied on community partners to provide these services.

2. Limited Resources to Provide Work Activities and Address Barriers

Some of the factors affecting the families with reported zero hours of participation might be the lack of employment service options and resources to address structural barriers or specialized service needs. Dwindling fiscal and staff resources, case managers with high workloads, and lack of evidence about what works in helping clients get and keep jobs might limit the quality and range of services available. Sites were often forced to think creatively about how to provide the best possible services with limited resources. We identified four indicators, outlined below, that may demonstrate the extent to which limited resources influenced the number of families with reported zero hours of participation.

- **Narrowed range of work-based activities.** As described in Chapter II, state and local funding cuts combined with increased demands on other social service programs contributed to a narrowing of work activities available to TANF clients. During the site visits, most clients were assigned to job search, gained unsubsidized employment, or enrolled in education and training. Nearly all of the local study sites (10 of 11) relied primarily on these activities and placed a small number of TANF clients in other work activities (Table III.2). In at least 4 of the local study sites, job search activities were primarily independent, with limited structure. In addition, program administrators talked about how they had to eliminate or decrease the number of slots for work-based

services—such as community service, work experience, and subsidized employment—because of the cost of operating these programs. Only one local study site, New York City, implemented an extensive work experience program where clients participated in job search and work experience to meet their work requirements. Other sites implemented subsidized employment, community service, and work experience for a select group of TANF clients, typically those who were better prepared for work. Program administrators also discussed how they allowed some clients to participate in job search beyond the statutory limitation because of the lack of other service options.

- **Limited resources for work supports.** Study respondents at most of the sites reported that decreasing resources were available to address basic structural barriers, such as transportation, child care, and work-related supports. Although all of the sites offered some supports, in five local sites they were very limited. For example, five of the study states noted that they had limited or no transportation assistance, particularly in rural areas. One study state reported significant delays statewide with accessing child care assistance, a problem outside the TANF agency's control. Additionally, in at least seven of the study sites, contracted service providers were responsible for work-related supports, such as tools and equipment or clothing. The funds for these services were not reimbursable by the TANF agency—they came out of the vendor's payments. Contracted providers discussed the challenge of paying administrative and staff costs in addition to covering clients' work-related service needs.
- **Workloads limited the possibility of individualized case management.** Heavy workloads reportedly interfered with case managers' ability to provide case management. In general, effective case managers have multiple strengths—a clear understanding of, and adherence to, agency policies and procedures; an ability to build trust with clients, encouraging them to disclose hidden barriers to employment; strong organizational skills and an ability to effectively manage their workload; a knowledge of agency and community resources to address barriers; and an ability to motivate, encourage, and support their clients. Across the local study sites, high caseloads made it difficult to carry out these responsibilities. Based on site visit interviews, caseloads ranged from a high of around 200 cases at one of the contracted service providers to a low of between 40 and 70 cases at a local study site in Utah. In addition, case managers indicated that they spent at least half of their time monitoring and verifying work activities, which limited the time available for face-to-face contact with clients.[17] In juggling multiple responsibilities, case managers were not always quick to connect services that matched the skills, interests, and needs of clients, particularly those with zero hours.
- **Lack of access to specialized services.** According to TANF administrators and direct service staff, access to specialized services has decreased since the recession as a result of limited state and local funds. Two study states, California and Utah, and one local study site, New York City, offered resources for those with specialized service needs. Clinical assessments, mental health counseling, domestic violence support, substance abuse treatment, and vocational rehabilitation services were some of the services provided (see Chapter IV). Iowa also offered a home visiting program for young TANF clients to

[17] According to a time audit on TANF case managers in Minnesota, workers spend roughly half of their time documenting and reporting client participation. This figure was consistent across the sites, except in Pinellas County where they designated one specialized worker to carry out these activities.

work intensively on employment and parenting needs. In other sites, case managers might refer clients to community resources, but resources for these services were not available through the TANF agency. In addition to having problems accessing services, another drawback to the lack of in-house specialized services was the lack of coordination between the case manager and the provider regarding treatment plans and participation in program activities.

3. Focus on Participation and Employment Outcomes, Not Zero Hour Cases

States track and use the measures for which they are held accountable. Site visits and telephone interviews with state TANF administrators revealed that there was limited, if any, attention paid to cases with zero hours. Most of the states tracked this information at least in relation to hours counting toward the federal participation rates, but did not use it for policy or program decision-making. Instead, the focus was primarily on the WPR and employment outcomes. In addition, as states are facing greater fiscal pressures, they are making targeted investments in clients who, with limited effort, could improve the states' performance on federal participation rate measures.

- **Did not use zero hours data for program or case management decisions.** Six of the sites that we visited generated reports listing the number of clients with zero hours—however, only one took action based on the findings. Iowa developed a monthly "WPR Comparison Report," which included information about clients who reported zero hours. Program administrators used this information to identify cases with zero hours and either enter hours that should have been included or engage the families. In Florida, the local site generated a "No Countable Activity Report" and a "Blank Job Participation Record" to identify cases with zero hours, but the performance goals for case managers focused on job placement, not on zero hours. In California, Sonoma County generated a caseload report showing the number of clients with no activity. However, the data included in the report were about two months old. They did not have the capability of producing the report using real-time data. Iowa also reported time lags in data and the lack of ability to use real-time data for program decisions. In Connecticut, performance reports were actively used to track who met the work requirements and who did not, not specifically on those with zero hours. Instead, they focused more broadly on helping all TANF clients get jobs and fully participate. Across the sites, information about families with reported zero participation hours was not used to make policy or program decisions. States often focused on those clients who were partially participating and who with a few additional hours of investment might meet the rate—such as those working part-time—rather than families with reported zero hours who were reportedly some of the more difficult clients to engage.
- **Emphasis on employment over participation outcomes.** Two study states—Texas and Utah—and one local study site, New York City, placed greater emphasis on employment than on the WPR. In one of these study states, administrators talked about how they explicitly shifted their focus and were still adjusting to creating a clear message for staff. State and local program administrators said that they often gave staff a mixed message about performance outcomes. They focused heavily on employment, but required significant staff investment in monitoring and reporting participation. New York City used performance-based contracts to reinforce the messaging about employment-focused targeted outcomes. The contracts were 100 percent performance-

based with benchmarks that focused on job placement and retention. Their programs appeared to invest in those clients who could get jobs quickly rather than families with reported zero participation hours. In Texas, program administrators defined employment as the ultimate outcome. Unlike in Utah, they are not requiring clients to submit participation hours and verification for time spent in job search activities. This lack of explicit attention to the families with reported zero hours of participation was echoed throughout the study sites and during the telephone interviews with state TANF administrators. Focusing on employment rather than participation may increase the number of families with reported zero participation hours, however, in the long run, this approach may increase the number of working families.

C. Initial Activities and Ongoing Transitions

We identified two factors that were mentioned by the sites we visited, but not consistently. In addition, when they did occur, the influence on the number of families with reported zero hours of participation was low because the period of zero hours was brief, or the factor affected a small number of cases, or both. Factors included delays in completing applications and other up-front activities and waiting for activities to begin, either initially or when transitioning from one activity to another (Table III.3).

1. Delays in Completing Applications and Other Up-Front Activities

During the site visits, respondents talked about three primary issues that may have created zero hours during the application period and initial engagement: (1) backdating TANF benefits to the date of application, (2) delays with securing child care, and (3) delays with obtaining documentation for state exemptions. Although respondents in each of the study sites talked about at least one of the initial delays described below, the problems were temporary and affected a small number of clients at any given point in time.

- **Backdating TANF benefits.** In states that backdate TANF applications, delays to the process could contribute to families with reported zero hours of participation. Backdating applications occurs when the TANF agencies have a retroactive period that could be back to application submission as the date to issue benefits, rather than the date the application was approved. In nearly all of the study sites, the application process ran smoothly and could be completed within 30 days. In one study state, eligibility workers managing high workloads faced delays in completing timely applications. On average, applications were completed within 45 days after they were submitted. Clients also reportedly contributed to delays with the application process. For example, they didn't submit their application verification forms on time or delayed completing their prerequisites.[18] To adjust for potential client delays, Utah opened an application for 60 days. Applicants had 30 days to complete all of the requirements in order for the application to be backdated to the day it was submitted. Applications completed in 30 days, but before the end of 60 days were backdated to the date that the client submitted

[18] The implementation of applicant work requirements did not appear to contribute to delays with the application process or the number of clients with reported zero hours of participation. At nearly all of the study sites, mandatory orientation sessions or other application requirements were scheduled at least weekly. In rural areas, these intake processes could be provided individually or in a group.

the final item. Backdating applications could contribute to the number of families with reported zero hours of participation, but the impact was likely small. In addition, most sites didn't backdate benefits to the point of application; benefits started once clients were determined to be eligible. Still, at least four of the eight study states that we visited had a state policy of backdating TANF benefits. Only one of these study states reported delays with processing applications.

- **Delays with child care.** According to respondents, child care contributed to significant delays in engaging clients at two of the local study sites within the same state. TANF clients with small children typically relied on child care assistance to participate in program activities and work. At nearly all of the study sites, the process for obtaining child care and selecting a provider was relatively efficient in that clients found child care providers quickly. When problems arose, they were mostly attributed to parents who lived in rural areas or who worked nontraditional hours (for example, nights and weekends) or who worked part-time with varying schedules. Other reasons included fears about potential child abuse from a provider or having infants or children with special needs. In one study state, these problems were exacerbated by systemic challenges with accessing child care assistance, which was not the responsibility of the TANF agency. Authorizations took 45 days on average, but reportedly took up to seven months for the entire process, including finding a provider. In addition, across the sites, once child care was secured, disruptions in arrangements were common and reportedly contributed to periodic episodes with zero hours.

- **Delays with obtaining documentation for state exemptions.** Two local sites in one study state reported delays with obtaining the documentation to approve state exemptions. Since these cases often required authorization from a licensed treatment provider, scheduling appointments and completing the paperwork sometimes created delays during which clients were not required to participate. Furthermore, states instituted an additional state medical review process for exemptions that lasted 90 days or longer. At the time of the site visit, roughly 1,200 cases were still under review, a backlog contributing to delays of up to six months. These delays could have contributed to increasing the number of families with reported zero hours of participation as they were waiting for exemption status or participating in activities that were not federally countable during this time.

2. Waiting for Activities to Begin—Initially or When Transitioning from One Activity to Another

TANF clients beginning program activities or transitioning from one activity to another might find start-up delays. Structured work activities such as orientation sessions, job clubs, or workshops are scheduled to begin a week or two after a client is determined eligible, but the wait could be as long as three weeks. These delays were more common in rural areas—where there were fewer clients and structured group activities were scheduled less often—than in urban areas. Delays also might occur when transitioning from one activity to another, such as from job search to a structured work experience. In two study states (4 local study sites), program administrators discussed how these "transition periods" contributed to short episodes of nonparticipation. Although these situations occurred across the sites, they did not appear to contribute substantially to the number of families with reported zero hours of participation.

Table III.3. Factors Related to Initial Applications and Ongoing Transitions That May Influence the Number of Families with Reported Zero Hours of Participation

State (Local Study Site)	Delays in Completing Applications and Other Up-Front Activities			Delays Before an Activity Begins (initially or when transitioning from one activity to another)
	Backdating of TANF Benefits	Delays in Securing Child Care	Delays in Obtaining Documentation for State Exemptions	
California (Sonoma County)				
Connecticut (DSS North)	X	X	X	X
Connecticut (DSS South)	X	X	X	X
Florida (Pinellas)				
Iowa (Burlington)				
Minnesota (Hennepin)			X	X
Minnesota (Stearns)			X	X
New York (New York City)			X	
Texas (Dallas)	X			
Utah (Wasatch Front South)	X			
Utah (Wasatch Front North)	X			

Source: Interviews were conducted with TANF administrators in the eight study states, visits to 11 local sites in the eight states, and document reviews in each study state and local site.

D. Implications for TANF Programs

This chapter identifies different factors that may influence the number of families with reported zero hours of participation. One of the primary findings is that the factors that appear to have a noteworthy influence on these families are often state policies—such as state exemptions, and sanction policies and procedures—that would take considerable effort to change. These policies and procedures may increase the number of families with reported zero hours of participation, but they are often in place to provide safeguards for children and families.

Another finding from this analysis is that the lack of fiscal and staff resources appears to influence different factors. For example, high workloads and caseloads were an indicator for at least three of the factors we identified. In addition, we documented how the range and intensity of services and supports available through TANF programs is decreasing, which may further increase the number of clients with zero hours.

High workloads are also a product of the federal requirements for monitoring, verifying, and reporting participation data. Respondents at nearly all of the study sites talked about the extensive level of effort required to monitor and track participation. Some respondents estimated that case managers spent as much as half of their time on monitoring and reporting activities. Although this information is critical to capture the types and number of activities families are participating in, it takes away from the time needed to provide individualized case management and to re-engage those who are not participating.

Finally, some TANF families reported to have zero participation hours might actually be participating. State reporting practices and delays with reporting may under report the actual number of families who are engaged at some level.

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IV. STRATEGIES FOR INCREASING ENGAGEMENT AND EMPLOYMENT

Despite the challenges of the changing and uncertain TANF program environment, some states have made concerted efforts to improve engagement and employment outcomes for TANF clients. Among the states where we interviewed TANF administrators and direct service staff, states have implemented strategies to increase engagement—defined as any participation in any activities (those that count toward the federal participation rate and those that do not) that increase employability—and employment outcomes. Although anecdotal evidence suggests that some of these strategies appear to increase engagement, there is limited evidence documenting program impacts. Increased engagement may not translate into reduced number of families with reported zero hours of participation as these families may continue to be reported with zero hours. Still, this chapter, based on the telephone interviews with 30 state TANF administrators and the 11 local site visits, offers strategies that state and local policymakers and program administrators may consider. Most of these strategies have not been rigorously tested. We have organized this chapter around the factors that may influence reported zero hours, which were described in Chapter III.

A. Strategies for Improving Policies and Procedures

In Chapter III, we described four TANF policy and procedural factors that appear to influence the number of families with reported zero hours of participation. These factors included: (1) state exemption and TANF sanction policies, (2) an extended process for implementing sanctions, (3) lack of complete reporting of hours and activities, and (4) problems with reporting tools and practices. Although states did not necessarily design strategies to address these factors, the strategies included in this section might improve engagement and in some cases reduce the number of families with reported zero hours of participation in these targeted areas. These strategies focus on, among other things, allowing flexibility with work hours and activities, improving the convenience of reporting participation, the use of incentives to encourage engagement, and improving the efficiency of the sanction process.

1. Create Policies and Procedures That Encourage Engagement

We identified two policies that appear to have a high influence on families with reported zero hours of participation: (1) state exemptions from the work requirements and (2) partial and gradual full-family sanctions. Modifying these policies to remove nonparticipants from the caseloads may reduce the number of families with reported zero hours of participation but would not necessarily be good practice as this would reduce services available to families with barriers or other needs toward improving self-sufficiency. We identified two strategies that might increase engagement for some clients with documented personal and family challenges who may qualify for a state exemption from the work requirements. For example, Utah requires clients to participate at their maximum ability, allowing flexibility for those with documented physical or mental health conditions or other barriers to employment. Minnesota serves TANF clients who might qualify for a state exemption in a solely state-funded program, where they are required to participate; however, case managers have flexibility with assigning clients work activities and hours. The first strategy increases engagement but wouldn't necessarily be reflected in the federal participation data because the state may not report hours and activities for parents not engaged in federal work activities. The second strategy—putting hard-to-employ clients in a solely state-funded program—gives states flexibility to customize services to these clients and engage them in the most appropriate activities regardless of whether

those activities count toward the federal work participation rate. SSF programs are not funded by either TANF or MOE funds and are more costly for states to implement.

- **Utah requires clients to participate at their maximum ability.** Since the implementation of PRWORA, Utah has been operating under a universal engagement approach where there are no state exemptions. Instead, the state requires all clients to participate at their maximum ability. For work-ready clients, work requirements follow the federal guidelines. However, case managers have flexibility with the assigned hours and activities for clients with documented physical or mental health conditions. As a result, they are able to engage nearly everyone on their caseloads. However, this approach increases the state's number of families with reported zero hours of participation when calculated using federal participation data because nonfederal work activities are not reported.
- **Minnesota serves TANF clients who qualify for a state exemption in a solely state-funded program.** Minnesota implemented Family Stabilization Services (FSS), a statewide, solely state-funded program for those with documented barriers to employment. Within state guidelines, counties have flexibility in FSS service design. At one local site, the county hired social workers to provide intensive case management for FSS clients. Mental health providers determined the number of hours a client was eligible to work, with great flexibility in the type of activities that counted toward the work requirement. Focus was placed on engaging clients in the activities for which they could participate. Although this local study site attempted to engage FSS clients, engagement approaches and successes reportedly varied across the state.

2. Improve Outreach and Sanctioning Policies and Procedures

States implemented explicit strategies for improving awareness of nonparticipation and taking action to address it. Several state administrators reported that sanctions were useful tools to re-engage nonparticipants in assigned activities. The steps in the sanctioning process may include personal outreach—such as a telephone call or home visit, a warning letter indicating that a sanction may be imposed, an invitation to an in-person conciliation meeting, or a penalty in the form of grant reduction or grant termination. The strategies used by several of the study states are discussed in more detail below.

- **Connecticut and Iowa use data tracking to identify nonparticipants.** In Connecticut and Iowa, states instituted data tracking to quickly identify nonparticipants and notify case managers. Contracted service providers in Connecticut flagged families with reported zero hours in regular reports. These reports were used by supervisors to discuss how to re-engage the clients as well as to assess the performance of the case managers. In Iowa, members of the Quality Assurance Team identified families with reported zero hours and entered alerts in the state MIS system for the case managers. This allowed case managers to quickly re-engage clients.
- **Sonoma County, California, employs aggressive re-engagement efforts before imposing a partial sanction.** Workers in Sonoma County, California, a state that uses partial sanctions, indicated that re-engagement efforts were more successful before, rather than after, the sanction was imposed. The aggressive outreach included county workers, contracted service providers, and a specialized home visitor. Case managers

speculated that the threat of a sanction combined with the aggressive outreach might be more effective than the actual sanction. Once the partial sanction was imposed, the client reportedly had limited motivation to re-engage in program activities because they still received a grant.

- **Florida provides specialized outreach for those in the sanctioning process.** After several outreach attempts, Florida quickly imposed sanctions on nonparticipating clients. The state hired specialized outreach workers to make at least three attempts within 10 days to contact clients and encourage participation. The outreach specialist in Pinellas County reportedly had a high success rate with 80 percent of nonparticipants coming into compliance. According to case managers, not only did she encourage clients to re-engage, but she also identified barriers to employment that had not yet been addressed by the case managers.

3. Assess and Adapt Service Delivery Processes

Several states formally assessed their policies and service delivery processes to identify where they might make improvements in their overall service delivery. As part of the assessment process, they closely measured the timeliness for completing case functions and identified potential delays where clients were unengaged. Based on these assessments, they instituted practices to increase awareness of reporting and program requirements, and streamline the process for completing case actions, including the implementation of sanctions.

- **Utah examines its service delivery system for potential problems.** Utah's "Theory of Constraints/Throughput Operational Strategy" was an assessment approach designed to identify problems or issues that caused inefficiencies in the service delivery system. A group of staff from various levels discussed a particular issue, such as clients falling off after meeting with an intake worker and then being transferred to a case manager, and identified the roadblocks and possible solutions. The state changed policies and procedures based on information gathered through these exercises.

4. Use Incentives to Encourage Client Engagement

States and localities used incentives to reward both small steps and major milestones made by clients. Small, frequent incentives were used to reinforce behaviors such as showing up on time for job search activities. Larger monetary payments were used for completing long-term goals such as earning a high school diploma or GED or getting a job. Utah and Florida added monthly "bonus" payments to cash assistance grants for clients meeting the federal work requirements. The incentives used in Connecticut, Utah and Florida are discussed below.

- **Connecticut gives frequent rewards for ongoing engagement.** Providers at both local study sites in Connecticut offered incentives for clients in order to reinforce ongoing engagement. In the DSS North region, the contracted service provider gave "pantry bucks" to those who showed up to the job search workshops on time. Clients used the bucks to purchase items from a pantry the provider stocked with personal and household items that could not be purchased with SNAP benefits—such as shampoo, cleaning supplies, and paper products. Provider staff said that the incentive was useful for clients not only in acquiring basic necessities, but also in building self-esteem. In the

DSS South region, clients earned points from the contracted service provider for participating in activities such as joining a job club, going on job interviews, and getting a job. Once they reached 30 points, they were given a $50 gift certificate.

- **Utah provides incentive payments for achieving major milestones.** Recognizing the importance of basic education, Utah paid clients a $250 bonus for completing a GED. Clients must complete all the GED course work and pass the test to qualify for the incentive payment.
- **Florida and Utah offer monthly incentive payments for meeting the federal work requirements.** Utah offered clients who fully participated in the program—defined as those who had 40 hours in federally countable work activities—an extra $40 per month. Florida operated a similar program, giving clients an extra $50 per month if they fully participated at 40 hours per week. Florida also gave other incentives, such as paying for utility bills or providing work-appropriate clothing, for clients who received a job placement or who completed education and training programs.

5. Make it Simpler for Clients to Report Their Activities

In Utah, the state used technology to improve the process for clients to report their participation hours and activities. The Utah Department of Workforce Services created an online reporting system where clients directly enter their participation hours and activities into their case files. TANF clients signed onto a personalized web portal, called MyCase, and entered the number of hours they searched for jobs. Clients could also update case information in the portal—including address, change in family size, and earnings. The TANF agency's workers assisted those who needed extra help navigating the system or who didn't have access to a computer. MyCase interfaced with the state's case management eligibility system so that the hours and any changes to personal information could be shared between systems. Florida has implemented a paperless system for clients to report their participation, which also improves convenience.

6. Improve Data Processing and Quality

States reported ongoing efforts to improve data quality and reduce the amount of time required to process participation data. As described previously, one strategy was to assign monitoring and tracking responsibilities to specialized staff. At least three states had state-level specialists who conducted formal case reviews to check the accuracy and timeliness of reporting.

- **Florida and New Mexico use specialized staff to handle monitoring and tracking.** As discussed previously, Florida hired specialized workers exclusively for data entry. These workers reportedly entered data more quickly and accurately than the employment case managers. The move to specialized workers also reportedly improved the state's data processing time, with all data entered within 24 hours of receipt. Similarly, New Mexico designated specific workers to process case changes. The state reported an increase in accuracy when they moved to this model.
- **Connecticut, Minnesota, Pennsylvania, and Tennessee designate staff to audit targeted cases and data collection processes.** Several states found that visiting local sites and reviewing data collection procedures improved data accuracy and timeliness. Recognizing that data collection could be inconsistent across local areas, several states

instituted procedures to review cases, including on-site reviews. For example, staff from the Tennessee state TANF agency conducted regular site visits to monitor how hours were being reported for work participation activities. Pennsylvania and Connecticut implemented a similar procedure by visiting local sites and conducting formal case reviews to monitor the accuracy of work participation hours. Minnesota reviews 18 cases of families with reported zero hours per quarter and shares the findings with counties.

- **Utah and Maryland train staff to improve data quality.** Utah state policy specialists provided ongoing training for direct service staff across the state on reporting and verifying work activities. As an accountability tool, the state also produced regular reports (monthly and weekly) for local offices and case managers to monitor their caseloads. The reports summarized the work activities, participation hours, and number of clients who were unengaged with the program. In Maryland, staff in the state TANF agency instituted training for case managers on the importance of program performance and data. One training session covered the process for how the state collects and calculates different performance outcomes. Another focused on how incomplete forms can decrease the state's WPR. In addition, the state hired a coordinator to provide technical assistance to local offices, as needed, with the goal of improving data quality.

B. Strategies for Strengthening Service Delivery and Performance Management

The three service delivery and performance management factors that appeared to influence the reported number of families with zero hours of participation mostly focused on service delivery processes and performance management. The factors identified in Chapter III included (1) ineffective assessment practices; (2) limited resources to provide work activities and address barriers to employment; and (3) focus on participation and employment outcomes, not zero hours cases. The study states and localities implemented a variety of strategies that focused on improving the quality and efficiency of programs in order to increase participation and employment outcomes. Strategies were gathered from telephone interviews with state TANF administrators and through our site visits.

1. Implement a Comprehensive and Ongoing Assessment Process

Despite the importance of a comprehensive and ongoing assessment process, the use of these practices was limited across the sites. The lack of fiscal and staff resources to conduct initial and ongoing assessments and the narrow range of service options and resources available for clients might have contributed to the low investment in this process. Still, a couple of sites implemented assessment processes worth highlighting.

- **Utah has a comprehensive, ongoing assessment process.** TANF clients in Utah are assessed frequently using a variety of tools. A new TANF client receives an informal assessment used to create a working relationship with the case manager and to gather basic information about the client's circumstances.[19] Those with limited education complete the Test for Adult Basic Education (TABE) test to assess reading and math levels. As part of the initial assessment, the client also completes a substance abuse

[19] In Utah, TANF case managers ask clients four questions: (1) why did you apply, (2) what is your work history, (3) what is the highest grade you have completed, and (4) what additional services do you need to get a job?

screening to identify any drug or alcohol addictions. Those who are flagged for being at risk are drug tested. Those who had positive drug test were required to participate in a drug treatment plan. In addition, based either on the initial assessment or on ongoing interactions, the case manager may refer the client to an in-house licensed clinical therapist (LCT) for an in-depth clinical assessment. Case managers carry caseloads of between 40 cases and 70 cases, allowing them to meet frequently with clients to reassess participation and progress. To identify hidden barriers to employment, the LCT also participates in conciliation meetings for clients who are in the sanction process.

- **New York City's WeCARE program provides thorough assessments for hard-to-employ TANF clients.** New York City's WeCARE program provides a comprehensive biopsychosocial assessment, conducted by a team of social workers, board certified physician, and, when needed, specialty physicians, including psychiatrists, to identify a TANF client's physical and mental health conditions, assess employability, and recommend an appropriate service path. Master's level social workers, many of whom are licensed, conduct the initial psychosocial assessment, which is the first phase of the assessment. They gather information on all major life domains, including medical and mental health issues, domestic violence, housing needs, family stability, legal issues or criminal involvement, support networks, involvement with child protective services, drug or alcohol addictions, learning disabilities, and ease of completing activities of daily living. Clients also undergo a complete medical assessment as part of the initial evaluation and with a specialist, if needed. WeCARE also has the ability to reassess clients who may have new or worsened medical or mental health conditions, through its Clinical Review Team which employs qualified health professionals to determine clients current functioning and appropriate service track.

2. Use Initial and Ongoing Assessment Results to Triage Clients into Service Paths

During our site visits, two local employment service providers, one in Connecticut's DSS North, and one in an employment center in Salt Lake City, Utah, used assessments to triage clients into different service paths. As clients' employability changed, they were moved into different pathways. In New York City, WeCARE assigned clients with documented physical or mental health disabilities into one of four service tracks. By using assessments for triaging cases, a systematic process was created that linked the assessment findings to employment service planning. It also encouraged ongoing assessment to ensure clients were in the appropriate service track.

- **DSS North region in Connecticut triages based on work readiness.** In Connecticut's DSS North region, the contracted service provider assigned clients to one of four levels depending on their work readiness.[20] Those in "Level 1" were ready to work and assigned to job search. "Level 2" clients had some barriers to employment and typically participated in subsidized employment, unsubsidized employment, vocational education, or job search. "Level 3" clients had two or more barriers to employment and participated in a workshop focused on barrier removal, followed by courses for a GED or English as a second language (ESL). Nonparticipants were categorized as "Level 4," and case managers began re-engagement efforts.

[20] The Connecticut Department of Labor contracts with Local WIBs who contract with local providers for employment services for TANF recipients.

- **Wasatch Front South in Utah assesses clients' service needs.** Clients were assessed early in their program participation to determine the most appropriate service strategy. In a local employment center in Salt Lake City, Utah, clients moved into one of three service tracks based on their level of education (that is, whether the clients had a GED or high school diploma), presence of barriers to employment, refugee status, and general level of work readiness. The service tracks included (1) "Work-Ready" for clients who were immediately employable, (2) "Job Prep" for clients requiring help with barriers to employment, and (3) "Education" for clients who were assigned to basic education or ESL courses. Case managers assigned to specialized units that dealt only with work-ready clients had fewer cases than other units (14 to 16 clients per case manager compared to 40 to 70 clients per case manager in other units). The goal was to provide individualized coaching and support to work-ready clients in order for them to quickly gain employment. Clients could move through different tracks as their situations changed.
- **New York City's WeCARE program tracks hard-to-employ TANF clients.** Based on the results of their assessments, clients were assigned to one of four service tracks: (1) "SSI" for assistance with SSI applications (for those clients who had a disability that did not require medical care to stabilize their condition); (2) "Wellness Plus" for those clients that required medical care to stabilize their condition while applying for SSI; (3) "Wellness" for services to address physical or mental health conditions to prepare for employment; and (4) "Vocational Services" for employment services for those who could work, but for fewer hours than the federal work requirement. Clients moved between the tracks as determined by qualified medical professionals and providers.

3. Offer Practical Work Activities to Increase Clients' Employability

Case managers reported that many TANF clients had limited experience with getting a job. They reportedly looked to the program to help them navigate the job search process and teach them how to successfully operate in a work environment. Staff indicated that clients were more engaged when program staff and activities offered needed direction, experience, and support.

- **Iowa offers workshops on steps to successful employment.** TANF clients in Iowa who are assigned to job search complete the "Six Steps to a Successful Career Transition" workshop. Using a standardized curriculum that has been implemented statewide, clients complete six training modules (at close to three hours per module): (1) positive attitude and soft skills, (2) making a career plan, (3) researching industry trends, (4) creating a resume, (5) job search, and (6) interviewing and negotiating. TANF administrators said that the curriculum has been modified multiple times in an effort to provide engaging, practical guidance for getting a job. At the local study site in Burlington, clients completed the workshop with other WIA customers at the American Job Centers (AJC), which created an opportunity for TANF clients to learn from and network with a range of job seekers.
- **Utah provides a structured job search program that aims to build executive functioning skills.** Utah developed Work Success, a four-week, structured job search program, for TANF clients statewide.[21] Targeted to those with job skills, clients attended

[21] Work Success, provided through the local AJC, was extended to WIA clients in October 2012.

classes and motivational meetings each morning, followed by independent job search, then an afternoon check-in meeting with the group. The standardized curriculum used for the daily workshops incorporated activities to build executive functioning skills such as organization, problem solving, and time management. To model a workplace environment, the program required clients to wear business attire. To supplement the group activities, the program assigned clients a "coach" to motivate and support them during the job search process. Program administrators and case managers reported that the program had a high completion and job placement rate.

- **AmericaWorks and other contracted service providers in New York City infuse a "business climate" into their administrative structure and service delivery.** AmericaWorks, a contracted service provider in New York City, created a program designed to acclimate clients to a work environment. Most contracted service providers give staff titles more frequently used in the private sector (for example, case managers are called "sales representatives" and job developers are "account executives"); hire workers with private sector experience; offers bonuses to staff (up to $40,000 per year for some positions, in addition to base salary at America Works); and use a strengths-based approach in working with clients.
- **Florida and Minnesota try to improve job skills through education and training.** Three local study sites in Florida and Minnesota promoted education and training, such as pathway programs, to improve clients' skills and future employability. In Florida, case managers encouraged all clients to get GEDs or high school diplomas and then pursue training. After clients received their GEDs or high school diplomas, the case managers assisted clients with financial forms to apply for Pell grants or other financial aid to help pay for training. Case managers would then assess clients' chosen training courses to determine if they aligned with targeted occupations. Minnesota was rolling out a career pathways program for TANF clients at the time of our site visit. The vision was to encourage and support clients in obtaining postsecondary education.

4. Provide In-House, Specialized Services for Hard-to-Employ TANF Clients

Many hard-to-employ clients can work with the proper supports. Yet, as previously described, specialized services for individuals with documented physical or mental health conditions or who need additional help with parenting have been reduced or eliminated due to funding. Still, some states and localities continue to provide these services. Among the study sites, there were four noteworthy programs, which are outlined below.

- **New York City uses its comprehensive WeCARE program.** As mentioned, New York City operated an extensive program, called WeCARE, for TANF and Safety Net clients who had documented physical or mental health conditions.[22] Using a strength-based approach, WeCARE focused on increasing the employability of individuals using motivational interviewing, behavioral counseling, goal setting, and other vocational rehabilitation services. WeCARE clients completed a comprehensive biopsychosocial assessment to identify their service needs and to create an individualized treatment and

[22] Safety Net includes single adults and childless couples receiving public assistance. It also includes TANF families who have reached the end of their five-year time limit on cash assistance.

employment plan. As previously described, clients are then assigned to one of four service tracks designed to increase their employability or help them apply for SSI. WeCARE serves about 24,000 clients at any given point in time. A key component of WeCARE case management is outreach, which serves an important role in helping clients comply with WeCARE and New York City Human Resources Administration (HRA) program requirements. Contracted service providers offer escalating outreach services to clients who fail to appear for an appointment or who fail to participate in their WeCARE activities. Escalating outreach consists of telephone calls, emails, letters and home visits in some cases. With the goal of maintaining engagement and preventing negative action on the client's case, outreach is considered successful when the client returns to the activity or WeCARE.

- **California and Utah use licensed, specialized treatment workers.** Other sites hired specialized workers to serve the needs of clients with documented physical or mental health conditions. Utah hired LCTs, who were stationed in local employment centers throughout the state, to conduct clinical assessments, link clients to mental health or substance abuse treatment, assist with sanction conciliation reviews, and to provide short-term crisis management. They also consulted with case managers on difficult cases and trained them to identify potential hidden barriers to employment. Similarly, the California site employed two full-time mental health therapists to perform similar functions. As in Utah, these services were available statewide.
- **Iowa and Minnesota offer home visits for young parents.** Iowa provided Family Development and Self-Sufficiency, a home visiting and intensive case management program for TANF employment services clients. Implemented in four counties across the state, the program was mandatory for families headed by parents younger than 18 years old and voluntary by self-referral for all others. Workers met with families twice a month in the first three months and more infrequently in subsequent months. The program offered parenting skills for each family, optional behavioral therapy for children, and connections to community resources—such as food pantries and clothing sources. Hennepin and Ramsey counties in Minnesota have included Nurse Home Visiting as part of the service package for teen parents. This program is currently being rolled out to other counties across the state. The goal of these programs is to provide parenting skills and better equip these parents for the workforce.
- **DSS North region contracted service provider in Connecticut and Sonoma County, California, provide group support.** These local sites were using small support groups to engage clients and address barriers to employment. Although the groups weren't required, they did offer a service option for those needing more support. Case managers took turns leading the groups. Topics covered included money management, balancing work and family responsibilities, and seeking help for depression, among others. The group structure allowed case managers to reach more clients at once and created an opportunity for "peer support" throughout the job search process.

5. Use Management Reports to Raise Awareness About Participation and Employment

Although all the study states produced management reports, select states invested heavily in the technology, staff, and processes needed to assess program and case manager performance. New York City could show exactly which activities each client was engaged in. Sonoma County,

California also used engagement reports as a tool to monitor the caseload and understand clients' statuses; however, the reports were not as detailed or comprehensive as some of the other sites, and the data were at least two months old. One Connecticut provider used data to discuss participation goals with case managers. The provider developed weekly management reports to ensure case managers were contacting and engaging clients in federally countable work activities. In Florida, supervisors at the employment service provider reviewed weekly job participation reports to identify those clients not meeting work requirements. Case managers printed their entire caseloads at the beginning of the week to identify clients who were not participating, so they could contact and engage them. Examples of these practices in New York City, Nebraska, and Utah are described below.

- **New York City takes a comprehensive approach to performance management.** New York City took a comprehensive approach to monitoring client engagement through performance data. VendorStat, a report used for performance management, permitted staff at the TANF agency to compare and monitor contracted service providers. JobStat, an internal performance management tool, gave administrators the ability to review key indicators at agency job centers. JobStat reports included information on job center management (including the number of cases, caseload size, and new applications), participation rates, job placements, retention rates (at 3-month, 6-month, 9-month, and 12-month intervals), and quality assurance. Staff members at each job center were provided a report summarizing their performance on select indicators and comparing their performance to other centers in the region and in the city. In addition, job centers received index scores for a variety of areas—such as the engagement process, customer service, fraud prevention, and quality assurance.
- **Nebraska uses dashboard reports that drill down to the worker level.** Nebraska created an online dashboard that provided real-time information on the WPR, the percentage of clients who obtained employment, and the average starting wage on a state, region, and contracted service provider level.
- **Utah uses data to monitor performance from the state-level down to front-line workers.** Utah also developed an online dashboard that showed case managers the statuses of their caseloads at any point in time. The dashboard included built-in alerts with the number of days remaining to finish case management activities. Supervisors met with case managers to discuss job placement and individual work participation rates. State administrators monitored placement and work participation for each region and for the state collectively. The state had dedicated staff conduct formal case reviews to identify errors, which were then addressed at the case manager level.

6. Use Formal Processes for Creating Goals and Sharing Best Practices

To develop a shared understanding of program expectations and goals, many states structured activities and processes to clearly define the roles and expectations of both the program staff and the clients. For example, program administrators in Utah and New York City infused a strong work-first message that reinforced employment as the primary program goal. Program administrators in Pennsylvania held monthly management calls for sharing best practices in serving TANF clients. Ohio organized a similar effort for local program administrators to boost client engagement. Across states, staff trainings were also a critical tool used to increase the consistency of service delivery and improve overall performance. A few of these programs are discussed in more detail below.

- **South Carolina promotes "wildly" important employment goals.** South Carolina wanted to double the number of cases closed due to employment. To achieve this, each region was given a goal for case closures within a given time frame—termed "Wildly Important Goals." To reach the overall goal, case managers were required to work intensively with a select group of clients on their job search processes. The hope was that more frequent communication and guidance through the job search process would increase the number of job placements. The state closely monitored and discussed with local program administrators and direct service staff the importance of meeting the job placement goals.
- **Pennsylvania uses monthly management calls for sharing best practices.** Pennsylvania focused on improving communication with local areas to share promising practices. The state held monthly conference calls with local offices to discuss strategies for engaging clients in work activities. These calls were an opportunity for the state to discuss new ideas and highlight promising practices for serving TANF clients. For example, the state emphasized strategies for finding clients jobs and identifying training activities. Staff at the TANF agency also collaborated with staff at the state labor department to share information on job search strategies, the local labor market, and training opportunities.
- **Ohio trains TANF program managers on performance management.** Using a "train the trainer" model, Ohio educated county TANF administrators on how to effectively train direct service staff to improve case management practices and the quality of participation data. In addition, it implemented intensive on-site technical assistance for case managers to improve case management practices and reporting.

7. Structure Contracts to Increase Participation and Job Placement

Service provider contracts served as tools to increase participation and place emphasis on employment. Many contracting arrangements were written with performance incentives for meeting participation goals and job placements. Increasingly, states have added performance-based measures to their contracts, with one study site using performance-based contracts exclusively. In these contracts, providers were only paid if they met expectations set by administrators at the TANF agency—which encouraged contractors to run more effective and efficient TANF programs.

- **New York City uses performance-based contracts to focus on job placement and retention.** New York City used performance-based contracts with employment service providers, exclusively. Payment points mostly focused on job placement and retention. For the vendor to receive payment, their clients were required to get jobs working at least 20 hours a week. Benchmarks for job retention were set at 30 days, 90 days, and 180 days. Providers had an incentive to track clients for six months and provide post-employment services, when needed. Providers earned additional incentives for serving hard-to-employ clients (for example, ex-offenders, long-term cash assistance clients, and long-term shelter stayers). Although the performance measures were reportedly tough to meet, providers said that they had good working relationships with staff at the TANF agency. In addition, providers noted that performance-based contracts offered them flexibility to design their programs as long as they met the goals.

- **One site in Minnesota, Texas, Pennsylvania, and Wisconsin use contracts with performance expectations.** Another strategy states used to encourage high performance was creating a cost reimbursement contract with performance incentives or penalties. In some cases, the TANF agency imposed financial penalties for failing to meet the benchmarks. In Minnesota, Hennepin County included a 5 percent pay reduction if providers did not engage at least 85 percent of their clients in five hours of activity within the first nine weeks. During Wisconsin's most recent procurement process for employment services, the state selected to add a performance-based component to the contracts. The state contract paid more for meeting employment retention goals rather than meeting participation goals. In Dallas, Texas, a local study site, the TANF agency required providers to demonstrate that at least 25 percent of clients were working in unsubsidized employment each month. In July 2012, Pennsylvania began using pay-for-performance with their contracted service providers. Pennsylvania tracked the number of clients that entered employment in a 90-day period, the number of clients that retained jobs in six months, and the number of clients who had increased their hours to 30 hours per week.

C. Strategies for Streamlining Initial Activities and Ongoing Transitions

Some states also implemented strategies for improving processes and engaging clients during the application stage. These strategies appeared to address two factors discussed in Chapter III: (1) delays with completing applications and other up-front activities and (2) waiting for activities to begin—either initially or when transitioning from one activity to another.

1. Use Strict Time Lines for Completing TANF Applications

Only one of the study states reported significant delays with the application process. Delays were statewide and mostly due to high caseloads among eligibility workers and to the intake responsibilities assigned to them, which included a 90-minute standardized assessment. Two of the study states we visited, Florida and Utah, had interesting approaches to processing and monitoring the timeliness of TANF applications, which are discussed below.

- **Florida focuses on the timeliness of processing TANF applications.** Florida set the number of days in which an application must be processed from the point of engagement. The state tracked the average number of days required to process an application and the percentage of applications completed within a designated time.
- **Utah encourages timeliness in completing TANF applications.** Utah allowed clients up to 60 days to submit required verifications (for example, birth certificates and social security cards) for their TANF applications. For the application to be backdated to the time it was submitted, applicants had the first 30 days to complete all of the requirements. Applications that were still pending after 30 days were not backdated, but rather were tied to the dates that clients submitted their final verification documents, so long as they were still submitted within 60 days of the original application date. This time line created an incentive for clients to quickly submit required eligibility documents.

2. Engage Clients with the Application Process

One of the reasons states implemented applicant work requirements is to engage clients quickly and address barriers to employment early. All the local study sites required clients to attend at least one orientation session as a condition of eligibility. As previously discussed, in addition to setting clear client expectations, orientation requirements ensured that clients went to service provider locations and, in some cases, engaged with case managers before becoming eligible for TANF. In addition to the orientation, three study states mandated that applicants complete assessments and employment planning during the application process. In some local study sites, the assessment portion was self-directed, while in other local study sites applicants were required to meet with case managers. In Minnesota (statewide) and New York City, applicants were required to complete work-based activities during the application phase.

- **Iowa and Michigan offer applicants assessment activities.** Applicants in Iowa were required to complete self-assessment forms that they received by mail before their orientation appointments with their assigned case managers. In Michigan, applicants completed a 21-day assessment period that included addressing barriers to employment and registering with the local AJC.
- **Florida provides self-directed online workshops and an e-course.** In Pinellas County, Florida, the employment service provider required that all applicants participate in the JobSmart Lab—a self-directed program of online workshops and an e-course—for at least four hours as part of the application process. Although the activities are conducted online, many applicants complete them in computer labs at the location of contracted employment service providers. The program's goal was to engage applicants early so that they would already be connected with staff and activities when their TANF case opened.
- **New York City asks applicants to job search during the application process (generally up to four weeks).** In New York City, applicants with no barriers to employment were required to fully engage in 35 hours per week in federally defined work activities for up to a month as a condition of TANF eligibility. During this time, they were assigned to an employment service provider under the Back 2 Work program, which offered a range of job search tools and supports.
- **Minnesota uses its Diversionary Work Program for four months.** Since the inception of PRWORA, Minnesota has used a statewide Diversionary Work Program (DWP) for all TANF applicants. During this four-month period, the majority of parents participate in job search activities for 35 hours per week. Rather than receiving a cash grant, the TANF agency provides vouchers to cover the costs of housing and utilities. (Although if a participant does not have rent or utility costs or the amount paid after vendoring is less than the MFIP grant, he or she can receive a personal needs allowance of up to $70 per person.) Applicants with documented barriers to employment skip DWP and, after eligibility determination, immediately receive TANF.

3. Create Benchmarks for Case Managers to Complete Tasks Quickly

Timeliness standards for service delivery encouraged case managers to complete tasks quickly. Several states set and monitored the amount of time it took case managers to complete targeted

activities. TANF program managers said that monitoring improved the timeliness of targeted activities—such as application processing, assigning work activities, transitions from one activity to another, as well as length of time between initiating and imposing a sanction. At least one state created electronic case management alerts for program staff when action on a case was required. This strategy appeared to be particularly helpful when caseloads were high. For example, Iowa programmed case management alerts into the state MIS. These alerts notified the case manager when the client was coming to the end of a time-limited activity such as job search. These reminders helped case managers stay on top of their workloads.

D. Implications for Policy and Practice

This chapter explores some of the strategies state and local study sites implemented in an effort to increase engagement and employment outcomes. Policy and procedural strategies may require legislative or state-level administrative action in order to change. Even so, it's not clear what changes might be most effective. Policies that remove nonparticipants from the caseloads may not help children and families in the long-term.

In addition, this analysis exposed some of the gaps in addressing the factors that may contribute to the number of families with reported zero participation hours. For some factors, the states and localities we studied provide examples of strategies that might be implemented, while for other factors, there were very few noteworthy strategies to be found. For example, we documented how many states and localities used performance management strategies. However, good assessment practices were more difficult to find. As resources become increasingly tight, it's not clear that states will have the resources to significantly improve upon existing services. Most of the recent changes have been minor tweaks around the margins rather than substantial investments to improve employment outcomes.

V. CONCLUSION

For nearly two decades, the TANF program has supported needy families with cash assistance in exchange for participation in activities that can help move parents toward work and self-sufficiency. The findings of this study suggest that nonparticipation, particularly families with reported zero hours of participation, is not accurately represented across states because of differences in the definition of participation as well as differences in policy decisions, reporting, and program practices. As a result, there is currently no method for fully capturing the degree of total nonparticipation among low-income families that receive cash assistance (either through TANF in federal data or solely state-funded programs in state data).

The inability to make cross-state comparisons also complicates the task of identifying and quantifying factors that may contribute to the number of families with reported zero hours of participation. In this study, we identified categories of influences—TANF policies and procedures, service delivery and performance management, and initial activities and ongoing transitions—that may affect the number of families with reported zero hours of participation but could not pinpoint the magnitude of the effect of each factor, or in some cases, even the direction of the effect. Part of the complexity in understanding families with reported zero hours of participation and their actual level of participation in TANF programs stems from their secondary importance in most TANF programs. Instead, the TANF programs included in this study have focused on strategies that promote engagement and participation among clients more broadly.

In this chapter, we summarize what the key findings from this study suggest as implications for the number of families with reported zero hours of participation—in terms of measurement, influences, strategies for engagement, and directions for future research.

A. Federal TANF Participation Data May Not Reflect the Actual Number of Families with Reported Zero Hours of Participation

The actual rate of families with zero hours of participation may be misrepresented in federal work participation data for two primary reasons. First, reporting practices, which vary by state, influence the degree that participation hours or activities are tracked and reported, either by type of clients or by type of activity. For example, states may elect not to track hours for clients who are state exempt, or who are participating in time-limited activities beyond the statutory limit. Participation hours for clients in these two categories would not count toward the federal work participation rate, so rather than track these hours, states may effectively classify them as families with reported zero hours of participation due to the lack of participation verification. Similarly, states may not track specific activities because of the administrative burden. For example, Texas has decided not to track or report hours that clients spend in job search activities, even though they may be fully participating. As a result, they have one of the highest number of families with reported zero hours of participation among the study states at 53.9 percent, which overestimates the actual rate of total nonparticipation.

Second, states make policy decisions about how to serve families not likely to meet the federal work requirements. Instead of including these families in the TANF program, and therefore in calculations to meet the federal WPR, states may decide to serve them instead through a solely state-funded program. Removing nonparticipants from the caseload would decrease the number of

families reported as having zero hours of participation in federal data. For example, Minnesota placed about a third of their TANF caseload, individuals who were hard to employ, in a solely state-funded program. They also achieved one of the lowest numbers of WEIs with reported zero hours of participation based on federal participation data (40.3 percent for WEI families).

B. The Reasons for Reported Zero Hours Are Complex and Difficult to Quantify

Based on 11 site visits, 30 telephone interviews with TANF administrators, and agency document reviews, we identified factors that might influence the number of families with reported zero hours of participation. Although we identified indicators to measure each factor, we could not calculate their impacts. Our analysis offers some insight, but we cannot completely explain or quantify how the factors, alone or in combination, contribute to the number of families with reported zero hours of participation. In addition, some factors could have a mixed effect.

The factors that appeared to influence the largest number of families were policy or procedural issues—such as state exemptions or sanction policies and processes—that would require legislative or administrative action to change. These factors also included delays by clients in reporting their participation hours and activities and state reporting practices. Factors that focused on service delivery and were mentioned frequently by respondents, but they had nuances that made them difficult to fully assess in terms of the potential size and direction of their effects. Differences in assessment practices, the availability of services and supports, and the value that each program placed on serving families with reported zero hours of participation in policy and practice were some of the factors. Factors that centered on transition points, such as getting activities and supports in place after the initial application or when clients transitioned from one activity to another, in general, had minimal effect on the number of families reported to have zero participation hours. These were situations in which the duration of zero hours was short and affected a small number of clients on the caseload.

C. TANF Policies and Procedures that Increase the Number of Families with Reported Zero Hours of Participation Might Provide Important Safeguards for TANF Children and Families

The factors that appear to influence a large number of families—state exemption and sanction policies and procedures—are often put in place by states to provide important protections for disadvantaged children and families. TANF clients who qualify for a state exemption or who are sanctioned typically have persistent and multiple barriers to employment (Pavetti et al. 2003). State exemptions temporarily excuse families with documented barriers from the work requirements, but they can increase the number of families with reported zero hours of participation. Sanction policies and procedures may take longer to implement, but also may uncover hidden barriers to employment that were undiagnosed and untreated. Disadvantaged families may benefit from the safeguards created under state exemptions and sanction process. The challenge for TANF agencies is defining the policies and procedures in a way that supports and encourages work, while still providing families with resources to succeed.

D. TANF Agencies Have Limited Financial and Staff Resources Available to Support Client Engagement

Through the 11 study site visits and telephone interviews with TANF administrators in 30 states, we uncovered some ongoing challenges in the postrecession environment. One challenge consistently identified by states was operating with fewer funds, which might contribute to the number of families with reported zero hours of participation in several ways. First, states have reduced the range and intensity of employment services available to TANF clients. Activities in most of the local study sites were narrowly focused on job search, unsubsidized employment, and basic education. Although, administrators at some sites offered other services such as subsidized employment or community service to a targeted portion of the caseload—often to those who already had job skills. The lack of varied activities offered to count toward the WPR can limit the likelihood of a match with each client's skills, interests, and abilities. The result may be lower interest and lower participation. In addition, states allowed clients to participate in activities such as job search or education and training beyond the statutory limit. In at least two of the study states, program administrators indicated that this occurred because of the lack of other activities in which to place clients. As noted above, states may elect not to track and report these hours for federal reporting purposes.

Second, there are fewer resources than in the past to address work and personal barriers. State TANF administrators reported cutbacks in basic work supports such as transportation, clothing assistance, and funds for work-related tools and equipment. The lack of work supports can inhibit the level of participation that TANF clients may be able to achieve, or possibly, even interfere with their ability to accept or keep a job. State administrators also indicated that there was a limited availability of specialized services—such as assessments and treatment for physical and mental health conditions, drug and alcohol addictions, domestic abuse, and learning disabilities. An inability to identify and address these barriers may increase the number of clients reported to have zero hours because their conditions may interfere with full participation.

Finally, declining staff resources limit the ability of programs to provide quality services. High caseloads and workloads made it difficult for case managers to provide thorough and ongoing assessments; individualized case management and job placement; and quick identification and engagement of clients with zero hours—all of which contribute to the factors that influence the number of families with reported zero hours.

E. TANF Programs Employ a Range of Strategies to Engage Clients in Work or Work-Related Activities

Despite resource challenges, state and localities have continued to explore ways to improve the efficiency and attraction of program services to engage TANF clients in work activities. During the site visits, we identified ways in which states engage clients in work activities and help them find jobs. Strategies that we documented in this study highlight some of these noteworthy practices—such as structured job search workshops, participation incentives for clients, use of technology to encourage engagement (for example, electronic reminders for case managers and online reporting for clients), performance-based contracts for providers, and formal processes for sharing best practices and performance management strategies, among others.

Based on our interviews and site visits, it is clear that TANF programs do not use the number of families with reported zero hours of participation as an indicator of program performance. Instead, they focus primarily on the WPR, a federal requirement, and on the employment outcomes of clients. As a result, state policy and practice decisions are focused on enhancing participation in work and work-related activities and improving job placement and retention, and are not developed with a primary focus on engaging clients with reported zero hours. In addition, with diminishing resources, local study sites were targeting resources to clients who might meet the WPR or get a job with little help. Clients who do not participate often require more of an investment to re-engage.

F. Research Is Needed to Understand Families with Reported Zero Hours and to Test Engagement Strategies

Although we explored the families with reported zero hours of participation in this study as they relate to TANF program performance, more research is needed on why clients fail to engage in work-related programs. Studies of TANF sanctions provide some insight into the characteristics and circumstances of the zero hours families. These studies suggest that sanctioned TANF clients are often clients who are hard to employ with logistical barriers, and personal and family challenges that interfere with work (Pavetti et al. 2003). However, studies of sanctioned families may include those who are partially participating, but completing too few hours to meet the work requirement. In addition, the studies do not focus on clients' experiences with and perceptions of the TANF program. Understanding more about these families would provide important information about how they might best be served. Conducting in-depth interviews or focus groups with clients who are reported to have zero participation hours might provide the most insight into the circumstances and decision-making processes of these families.

Furthermore, additional analysis may explore the relationship between TANF caseload composition and the number of families with reported zero hours of participation The different ways states attempt to meet the WPR through applicant work requirements, quick full-family sanctions, and solely state-funded programs might influence the number of families with zero hours of participation. One indicator of the differences between states is the ratio of families living under the FPL who receive TANF. For example, California's TANF program serves the highest percentage of families living under the FPL of any of the study states (65 percent).[23] One hypothesis is that states that serve a greater proportion of families under the FPL might have a greater number of hard-to-employ individuals at risk for zero hours than states that serve fewer families under the FPL. Understanding how the caseload is defined as a result of state policies and practices is important for examining the number of families with reported zero hours and work participation more broadly within and across states. One possible approach is comparing the qualitative and caseload data for those states with high TANF-to-poverty ratios to those with low ones.

Finally, more research is needed to document the effectiveness of strategies used to increase engagement. In this study, we highlighted some of the strategies that TANF programs have implemented to improve program performance. We mapped these strategies to some of the factors identified as potentially influencing the number of families with reported zero hours of participation. To date, none of these strategies has been rigorously studied using a randomized control trial design

[23]The TANF-to-Poverty Ratio is based on an analysis conducted by the Center on Budget and Policy Priorities using 2008–2009 data.

to test their effectiveness. More research is required to explore strategies that are effective in encouraging engagement and improving employment outcomes.

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APPENDIX

TANF AND SNAP AVERAGE MONTHLY CASES, FISCAL YEARS 2007 TO 2012

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Table A.1. TANF and SNAP Average Monthly Cases, Fiscal Years 2007 to 2012

	2007		2008		FY 2009		FY 2010		FY 2011		FY 2012		Percent Change 2007-2012	
	TANF	SNAP	TANF	SNAP	TANF	SNAP	TANF	SNAP	TANF	SNAP	TANF	SNAP	TANF	SNAP
United States	1,753,891	11,789,594	1,692,893	12,727,450	1,795,775	15,232,115	1,910,680	18,618,436	1,921,243	21,072,113	1,876,426	22,329,713	7.0	89.4
Alabama	18,458	220,917	17,736	231,740	18,442	280,625	21,221	344,788	23,234	404,793	21,585	411,745	16.9	86.4
Arizona	36,247	222,304	36,249	258,517	37,860	340,852	32,473	439,364	18,335	465,375	17,429	484,906	-51.9	118.1
California	471,955	827,258	486,066	914,161	532,907	1,122,949	576,150	1,391,359	602,027	1,612,825	577,357	1,779,241	22.3	115.1
Colorado	10,979	106,899	8,816	109,405	9,275	138,382	11,521	176,289	11,936	200,064	13,880	220,707	26.4	106.5
Connecticut	20,901	113,187	19,091	120,573	16,722	139,408	17,268	180,463	16,466	205,772	15,352	219,817	-26.6	94.2
Florida	47,843	627,987	48,702	745,847	55,090	1,001,711	58,267	1,370,563	55,100	1,659,063	52,526	1,825,813	9.8	190.7
Georgia	24,861	387,254	22,115	417,427	21,091	534,944	20,572	681,782	19,876	789,785	18,794	879,493	-24.4	127.1
Hawaii	6,349	45,380	6,430	48,824	8,457	57,857	9,725	69,402	9,965	79,624	9,710	88,455	52.9	94.9
Illinois	30,502	569,073	19,846	595,832	19,611	677,147	22,188	775,019	28,471	859,785	33,715	914,287	10.5	60.7
Iowa	20,061	108,166	19,056	117,632	19,721	135,558	21,570	156,529	20,853	173,186	19,013	190,721	-5.2	76.3
Maryland	19,548	147,191	19,994	167,174	22,440	212,260	24,543	265,796	25,291	328,328	24,132	360,523	23.4	144.9
Massachusetts	45,068	239,802	56,538	266,430	61,899	336,050	53,914	407,304	50,492	447,066	63,923	479,830	41.8	100.1
Michigan	73,219	555,744	66,554	590,930	62,230	694,341	68,233	865,508	66,208	967,566	44,514	924,643	-39.2	66.4
Minnesota	26,528	131,764	23,057	140,427	21,772	165,533	23,837	209,816	24,784	245,585	24,242	264,739	-8.6	100.9
Missouri	39,597	301,338	37,607	312,476	37,877	359,746	38,902	408,717	39,158	433,899	37,869	441,626	-4.4	46.6
Nebraska	7,638	51,845	7,548	52,082	8,234	57,442	8,661	70,542	8,075	76,183	7,229	77,066	-5.3	48.6
Nevada	6,706	57,023	7,194	67,380	8,333	92,885	10,271	128,979	10,775	156,319	10,579	169,147	57.8	196.6
New Hampshire	5,151	28,852	4,463	31,244	5,612	38,459	6,173	49,537	6,038	54,134	6,841	56,354	32.8	95.3
New Mexico	14,074	92,093	12,983	95,769	16,099	119,395	19,797	150,796	20,388	179,007	18,201	193,522	29.3	110.1
New York	159,826	951,633	153,817	1,036,676	151,090	1,231,892	155,530	1,463,135	157,623	1,600,690	157,117	1,650,099	-1.7	73.4
Ohio	78,373	492,811	80,796	526,800	90,057	624,989	103,030	751,299	99,471	847,377	117,492	873,828	49.9	77.3
Oregon	18,583	226,435	20,551	243,257	25,096	302,714	30,207	373,819	33,613	419,693	38,871	447,338	109.2	97.6
Pennsylvania	63,965	530,243	52,102	558,939	48,030	631,566	51,883	740,186	59,927	815,765	77,972	869,157	21.9	63.9
South Carolina	15,528	233,295	14,933	255,702	17,085	302,450	18,481	359,506	17,816	390,936	14,439	410,491	-7.0	76.0

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Table A.1 *(continued)*

	2007		2008		FY 2009		FY 2010		FY 2011		FY 2012		Percent Change 2007-2012	
	TANF	SNAP	TANF	SNAP	TANF	SNAP	TANF	SNAP	TANF	SNAP	TANF	SNAP	TANF	SNAP
Tennessee	62,331	387,441	53,831	410,458	58,936	490,912	62,253	573,725	62,173	611,502	57,765	641,211	-7.3	65.5
Texas	62,648	947,235	53,536	994,786	48,050	1,183,153	50,618	1,407,083	49,637	1,608,476	45,797	1,666,362	-26.9	75.9
Utah	5,242	50,784	5,025	53,715	6,158	73,706	6,817	98,805	6,153	111,799	5,130	113,254	-2.1	123.0
Virginia	31,664	230,281	31,141	245,592	33,666	295,741	37,163	364,825	35,979	406,811	33,846	439,924	6.9	91.0
Washington	50,946	272,605	52,759	292,515	61,740	375,570	69,125	474,701	62,915	543,533	52,707	580,211	3.5	112.8
Wisconsin	17,370	162,092	17,656	180,792	18,471	234,874	21,982	317,015	26,163	370,372	26,198	398,966	50.8	146.1

Source: TANF data from the Office of Family Assistance, Administration for Children and Families, U.S. Department of Health and Human Services; SNAP data from the Food and Nutrition Service, U.S. Department of Agriculture.

Note: Fiscal year data used to compare across programs. TANF measured in families and includes separate state programs. SNAP measured in households.

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