



## Senate Bill 226: A Legislative Guide

### TANF: From Welfare to Work Program

In 1995, NH defined its vision of welfare reform, based on a philosophy that public assistance could be a bridge to permanent employment, and that temporary work supports could lead to long term self-sufficiency. The 1996 federal welfare reform reaffirmed this philosophy. States had a deal with the government: they would receive a set amount of funding, and would have the flexibility to design programs tailored to that state's needs.

After the 2006 TANF reauthorization, the federal measures shifted away from outcome success, and relied solely on the Work Participation Rate (see sidebar) to judge success. In response, NH passed a controversial revision to the state's TANF program (HB 1331), which became law without Governor Lynch's signature. In order to monitor the bill's impact, and ensure that the long-term obstacles many clients face continued to be addressed, Gov. Lynch established his TANF Advisory Council.

Senate Bill (SB) 226 allows NH to revisit its vision for a flexible approach, and builds on the proven success of creative solutions being used across the country. The law aims to provide the NH Dept. of Health and Human Services (DHHS) with the flexibility to design a program focused on NH needs, and does not mandate use of these ideas.

### Senate Bill 226: Frequently Asked Questions

**Question:** Did the TANF program focus on work prior to last year's reauthorization?

**Answer:** For ten years, NH's TANF program focused on the true indicators of employment success: successful job placement, job retention, earnings gain, and reduction in recidivism. The NH program also ensured that clients had the tools they needed to succeed as employees: education, job training, and other skills, such as parenting and financial tools.

**Q:** Was NH's TANF program successful at moving clients off welfare before 2006?

**A:** For ten years, NH was home to one of the most successful TANF programs in the nation. The state's work program earned over 31 million dollars in federal high performance bonuses for reducing unwed pregnancies, for client job retention and for increased client earnings, among other successes. From 1997 to 2004, over 20,000 TANF clients were placed in jobs through the NH TANF program.

**Q:** Isn't the current law is the best way to avoid federal penalties?

**A:** The current law does not give NH the flexibility needed to meet the federal standards and avoid federal penalties. SB 226 will restore this flexibility, and give DHHS more options to meet the rate while avoiding penalties.

**Q:** Will SB 226 make it harder to meet the federal work participation rate (WPR)?

#### ***How can NH measure success?***

##### **WPR: The Work Participation Rate**

The Work Participation Rate is a federal process measure: it is a snapshot of how many clients are participating in 'work activities,' and for how long.

The WPR does not measure the impact of the program, or positive outcomes, such as long-term employment after moving off TANF.

Since the 2006 reauthorization, the WPR is the only measure required by the federal government. In order to avoid federal penalties states must meet a 50% WPR, and no longer get credit for good outcome measures.

##### **Outcome Measures: Tracking Success**

For ten years, NH's TANF was tracked through "outcome measures," or data reflecting how well individual programs were working and whether the long-term goals of TANF were being met.

Some of the outcome measures used included tracking data for clients' job retention and wage growth, reduction in poverty, reduction in births to unmarried mothers, and decreased client recidivism. Some of these measures were used to allow states to qualify for high-performance bonuses (which were eliminated with the federal reauthorization).

In other words, outcome measures don't just show whether a client is in 'work activities'; they illustrate that the TANF program is meeting its goal of moving clients off public assistance for good. SB 226 seeks to reintroduce these outcome measures to NH's TANF program.

**A:** There are many ways to meet the federal WPR, while still focusing on moving clients into permanent employment. States across the nation are using creative and flexible approaches to meet the federal standards, and SB 226 will build on this success, while keeping the focus where it belongs: on helping clients support their families through work.

**Q:** Can NH afford the mandates in SB 226?

**A:** There are very few mandates in SB 226; the bill is at heart a series of options designed to give DHHS more flexibility in implementing the TANF program. In fact, DHHS is already using some of the options suggested by SB 226 to meet the WPR. Recent work in the Senate Finance Committee showed that the initial cost projections of the bill were over-estimated, and that many of the costs are in fact low or zero.

### **SB 226: What it Does, and What it Doesn't Do**

SB 226 does not create expensive mandates for the state to meet. Instead, it offers a variety of options that the state may take advantage of in order to meet the WPR. The few mandatory changes are designed to help the state meet the long-term goals of TANF: moving clients into long-term self-sufficiency.

SB 226 is not an attempt to return to a pre-2006 program. Instead, it works with the reality of the 2006 federal reauthorization, and attempts to maximize the state's flexibility to reach the goals of TANF, while meeting the requirements of reauthorization.

SB 226's only required changes are designed to maximize program success. The bill seeks to:

- Require an integrated approach to job training that meets the needs of NH employers.
- Require that outcome measures be used to monitor TANF success and trouble spots.
- Help clients overcome obstacles to participation by requiring child care and transportation referral.
- Equalize child support requirements for applicants and current clients (something already being done at DHHS).
- Allow clients to leave a job to enroll in a DHHS-approved training or education program, and allow applicants enrolled in DHHS-approved programs to stay in them when it will lead to employment.
- Extend level 2 sanctions from 2 to 4 weeks, which will reward, rather than penalize, clients who are working to meet the 2-week compliance period.
- Encourage positive work relationships by prohibiting mandatory meetings that interfere with a client's work schedule, and assign 'work activities' based on assessment criteria and outcome analysis.
- Promote legislative involvement, established by HB 1331, by standardizing reporting to the Health and Human Services Oversight Committee twice per year.

#### ***What is a 'work activity'?***

A 'work activity' is an activity which qualifies for the federally-defined work participation rate. TANF clients with a child under age 6 must have 20 hours per week, all others must have 30. A client must fulfill the full obligation in order for any hours to count.

'Core activities' are required for a minimum of 20 hours per week. These include employment, work/community experience, job readiness or job search, subsidized employment, on-the-job training, vocational education, or child care for a person participating in community service.

'Non-core activities' may be used to reach 30 hours per week. These include job skills or education directly related to employment, or satisfactory attendance at a secondary school or GED program. Clients under age 20 may be in school or a GED program as a core activity.

### **SB 226 is a New Hampshire solution.**

DHHS is already using some of the options provided by SB 226. This bill will give NH the flexibility to design an innovative program that meets federal requirements, and the tools to measure its success for our state and our citizens.

For more information on TANF in NH or SB 226, contact the Children's Alliance of NH, 225-2264, or [info@childrennh.org](mailto:info@childrennh.org).

***"SB 226 both redirects TANF's focus to helping NH families move into jobs and towards self-sufficiency, AND gives DHHS the flexibility and tools so that they can meet the federal requirements this year ."***

--Jack Tweedie, of the National Conference on State Legislatures