

December 20, 2024

Ann Flagg
Director, Office of Family Assistance
U.S. Department of Health & Human Services
330 C Street, SW Washington, DC 20201

Re: Interim Final Rule: Temporary Assistance for Needy Families Work Outcomes Measures (*RIN: 0970–AD04; Document Number: 2024-13865; Document Citation: 89 FR 53870*)

Dear Director Flagg,

The American Public Human Services Association (APHSA), as the bipartisan membership association for state, county, and city human services agencies, including those that administer Temporary Assistance for Needy Families (TANF) funds, is writing in response to OFA's request for feedback regarding the interim final rule (IFR) modifying ACF's regulations to implement the statutory changes enacted by section 304 of the Fiscal Responsibility Act of 2024 (FRA) related to the reporting of TANF work outcomes. We applaud OFA's attention to potential administrative burden for states and state agency operations alignment with the Workforce Innovation and Opportunity Act (WIOA), where applicable. Below, we highlight reflections on the IFR's general approach and recommendations related to (a) necessary clarifications to help states quickly and accurately collect the employment, retention, and earnings metrics, (b) supporting states in collecting secondary school diploma or its recognized equivalent attainment rate data, and, (c) creating conditions that equip states to make best use of this collected data.

Clarifications to Help States Collect Employment, Retention, and Earnings Metrics

We are grateful that OFA provided numerous opportunities for feedback from partners and states including the release of a Request for Information, ahead of publishing this IFR. Additionally, the technical resource guide, reporting instructions, webinar, and training and technical assistance (TTA) offered through OFA's TANF Outcomes Technical Assistance and Logistics (TOTAL) contract have been helpful supports as states prepare to submit their first work outcomes metrics reports in 2025. While a few questions arose in OFA's webinar reviewing the IFR, answers to these have not been provided to states in writing. In addition, states have raised additional questions in various conversations. We have included the most pressing of these below, and we urge OFA to publish guidance addressing the topics below as soon as possible.

1. **Recommendation: OFA should offer states the flexibility to count 90 days OR three months since a family's last day of assistance have elapsed, depending on which is more feasible for states' data systems.**

On OFA's IFR Overview call, this topic arose. OFA stated on the call that it would be an acceptable practice for states to count three months instead of 90 days and that a state should wait a minimum of 90 days to pass before determining that an individual had exited the state's TANF cash assistance program. For simplicity, we recommend OFA offer states the flexibility to count 90 days OR three months since a family's last day of assistance have elapsed, depending on which is more feasible for states' data systems. Some states' data systems count families' assistance receipt in months rather than in days. Thus, we recommend OFA clarify that it is acceptable for states to think about the definition of exit as "three months without assistance" or "90 days without assistance," depending on what makes most sense for their TANF agency's operations.

2. **Recommendation: OFA should consider revising its [TANF Work Outcomes Measures Technical Resource](#) to clarify its choice of the word "family" in the definition of "exit."**

This question also arose on OFA's initial IFR Overview call. OFA stated on the call that they would provide further guidance and examples on this topic. We recommend **OFA provide guidance detailing numerous scenarios in which this definition of exit would be applied.** Specific scenarios should be included that show how this definition could impact states' Work Outcomes of TANF Exiters Report (e.g., when the adult of a family is sanctioned but the children in the family continue to receive benefits; in cases of a family transitioning to a child-only case, etc.).

3. **Recommendation: OFA should change all three new reporting requirement deadlines FROM each state needing to file each report within 45 days following the end of the quarter (QE) or the fiscal year's end TO within 75 days following the end of the quarter (QE) or the fiscal year's end.**

Some state data teams have elevated concern that a 45-day reporting deadline leaves states reporting slightly immature data. We recommend OFA change all three new reporting requirement deadlines FROM each state needing to file each report within 45 days following the end of the quarter (QE) or the fiscal year's end TO within 75 days following the end of the quarter (QE) or the fiscal year's end. For example, as it relates to the Work Outcomes of TANF Exiters Report, in order for a state to confirm that a client's last month of receipt was in December in a state that releases assistance payments on the 1st of the month (thus implying a

January 1st exit for the client), states would need to have their March data available in order to confirm 90 days have elapsed since the client last received benefits. For some states, March data would not become available until mid-April; while these data sets are considered largely accurate, states can see some movement when the next month's data (the April data in this case) becomes available. Because the data takes about a week to load into the system, states would not have time to adjust their report to the April data before submitting by the May 15th deadline. In sum, the 45-day window would result in less accurate data to the federal government than with the 75 day window we are recommending. Given the other possibilities for error within states reported data sets as well as within the National Directory of New Hires, we recommend OFA extend this reporting deadline from 45 days to 75 days so that data has time to fully mature before being submitted. Although this example pertains to the Work Outcomes of TANF Exiters Report, states will face similar challenges as it relates to the Secondary School Attainment Measure and the Supplemental Work Outcomes Report, and we suggest the deadline for all three reports be extended to 75 days after the quarter's/fiscal year's end.

Supporting States' Collection of Secondary School/Recognized Equivalent Diploma Attainment Rate Data

We appreciate OFA's comments in the IFR related to the complexity of this metric and are grateful that OFA has initiated training and technical assistance through TOTAL to support states in the coming year as they prepare to submit reports related to this metric. When drafting related guidance, we recommend the following:

1. **Recommendation: OFA should clarify that eligible "exits" when calculating this rate can be at any time throughout the year.** When determining secondary school or recognized equivalent diploma attainment rate, given that the typical secondary academic calendar is at odds with the Federal fiscal year and annual submission of the data for the Secondary School Diploma Attainment Rate, states have asked if a counted individual can exit at any time during the year to be included in this rate, or only specific quarters. Very few individuals will be included in this rate; we recommend OFA clarify that individuals can exit the program at any time to be included in the denominator.
2. **Recommendation: OFA should provide a comprehensive list of acceptable and/or recommended data sources to verify school enrollment and degree attainment.** OFA has stated in the interim final rule that the Administration will provide thorough guidance and technical support regarding the calculation of the rate as well as the reporting periods that

should be covered in a given annual report; however, above and beyond this, states would benefit from guidance listing all acceptable and/or recommended data sources states may use to calculate this rate (e.g., examples of sources linked to state education systems, local secondary school or equivalent systems, community college systems, and methods that rely on self-report from participants).

3. **Recommendation: OFA should offer waivers for the first credential attainment report for states who are not yet able to track this metric.** Given that the reporting period has already begun for this metric and given that additional guidance has not yet been released, we urge OFA to provide states who are not yet prepared to track this metric with waivers for the first report due. Providing waivers for this initial report would acknowledge the realities of system readiness and provide states an additional year to build necessary capacity for compliance.
4. **Recommendation: OFA should provide states flexibility to determine how to code the definition of eligibility for “24 years of age.”** We urge OFA to clarify that states may choose which day of the month is best for their systems to determine if an individual is 24 years of age (e.g., on the first day of each month). Because each system is set up differently, states should have flexibility to write this code as it makes most sense in their system. Allowing states this flexibility ensures that states can implement this requirement within the constraints of their existing systems, reducing administrative burden while maintaining accurate reporting and compliance.

Creating Conditions that Equip States to Make Best Use of Collected Data

Aligned with our members’ vision that the success of TANF programs be measured by their ability to achieve employment and economic well-being outcomes, as captured through progress towards and attainment of family-sustaining wages, in our [TANF Modernization Legislative Framework](#) we recommended Congress establish employment and economic well-being performance measures aligned with WIOA. A handful of states already collect some WIOA-aligned outcome metrics on TANF participants; these states have emphasized the below themes and recommendations for OFA to foster conditions that empower states to leverage outcomes data that will fuel state TANF program improvement.

1. **Recommendation: OFA should return analyzed data quarterly to States.** States that already leverage state wage data to track the employment, retention, and earnings outcomes of TANF participants after exit aim to create frequent feedback loops from data analysis back to program administrators; this facilitates evidence-based decision-making when the state shifts

their TANF program design. Given that the data collected already includes significant lag, representing individuals who exited TANF three quarters before or more, we urge OFA to begin building capacity to provide quarterly, detailed data analysis back to states, including as much data as possible about OFA's calculations demonstrating how their analysis produced the reported outcome number. This allows states to put the TANF work outcomes data to use in a meaningful way (e.g., helping to inform how changes to program design or policy appear to impact TANF participants' success in the workforce after exit, etc.).

2. **Recommendation: OFA should build awareness and clearly message the data gaps presented by the National Directory of New Hires.** We are aware the National Directory of New Hires (NDNH) is a national database of wage and employment information on most—but not all—American workers. Despite its name, the NDNH contains information on more than just newly hired employees, including quarterly wage records from most employees on Unemployment Compensation covered employment as well as Unemployment Insurance compensation claims. Because about 10% of all private employers are not covered by unemployment insuranceⁱ, we are aware that the employees of these organizations therefore do not appear in the NDNH. In addition, all 1099 employees, such as those who work in the gig-economy (e.g., delivery drivers, rideshare drivers, pet sitters/walkers, house cleaners, etc.), are also not included in this database. These inherent challenges must be considered as OFA, Congress, states, and the general public interpret the resulting analysis from these work outcome measures. As such, we urge OFA to clearly communicate what employer data is included—and left out—from the NDNH database whenever publishing state TANF work outcome report data.
3. **Recommendation: OFA should begin preparing to support state-level infrastructure to submit the Supplemental Work Outcomes Report and to disaggregate work outcomes data interpretation.** Supporting state-level infrastructure to further disaggregate data collected around these four measures will become increasingly important in the coming years as we begin seeking to make sense of these indicators' results. In our conversations with states, several scenarios have surfaced wherein the outcomes data might not accurately represent a family's actual circumstances. Below we list just a few examples, and we look forward to continuing to work with OFA to ensure we are communicating effectively about areas where further analysis is needed to accurately convey what these measures are – or are not – illustrating.

As is the case in WIOA programs, for families that receive assistance in October, meet the exit definition in March, reapply for assistance in April, and meet the exit definition

again in September, within one fiscal year this family will be counted twice as having exited the program.

An employed TANF recipient may be sanctioned in FY25 Q1 for administrative reasons and cease to receive TANF assistance for 90 days. The individual may then reapply for TANF in FY25 Q3 and begin receiving assistance again. Even though the story we might assume from the Work Outcomes of TANF Exiters Report of Q1 is that this TANF leaver has not returned to TANF and has retained employment in the 2nd and 4th quarter after exit, in actuality the individual later returned to the program, began receiving benefits again, and was already employed before the first exit.

If OFA does not plan to filter out “returners” such as those in the example above, nor request states to report how many “leavers” each quarter have since returned to the program, OFA should acknowledge individuals may likely be counted multiple times within one fiscal year.

To ensure the Work Outcomes of TANF Exiters Report most accurately reflects the realities of families navigating TANF assistance, we urge OFA to prioritize training and technical assistance for state-level infrastructure to further disaggregate data collected around these four measures. Data disaggregation will be a critical next phase of equipping states to meaningfully modernize their TANF programs in response to their TANF work outcomes reporting efforts.

Thank you for the continued opportunity to provide comment on this important next chapter for the federal TANF program. We welcome further discussion or questions. Please feel free to reach out to Rebekah Sides at rsides@aphsa.org.

Sincerely,



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ⁱ <https://crsreports.congress.gov/product/pdf/RS/RS22889/10>