

# The Deficit Reduction Act of 2005:

## TANF Refinements and Clarification

By all accounts, the Temporary Assistance for Needy Families (TANF) program has been a remarkable example of a successful Federal-State partnership. By September 2005, just nine years after TANF's implementation, millions of parents had left welfare for work. The TANF rolls had been reduced by nearly 60 percent.

In 2005, however, the Government Accountability Office (GAO) noted inconsistent definitions and measurements of work participation among the states. The discrepancies made it difficult to compare participation rates and to determine which programs were most effective. Therefore, The Deficit Reduction Act of 2005 (DRA) was passed, in part to refine definitions of certain work activities. Specifically, the legislation restricts several activities that failed to improve job skills or enhance employability.

The new federal definitions provide guidance without sacrificing state flexibility. Under the terms of the DRA, the state plans, which are expected to be approved and implemented by September 30, 2007, will:

- specify guidelines for each activity,
- provide additional direction on how to count and verify participation hours, and
- clarify who is a work-eligible individual.

### Increased Clarity

The good news is that the DRA changes do not reinvent the wheel. Rather, they refine work activities already in place. Although the new definitions better delineate what constitutes each activity (for the participation rate), they in no way change the requirement that individuals must participate for a specified number of hours.

While waiting for state plans to be approved and implemented, workforce agencies should look to the interim rules for guidance — and to prepare for a smooth transition. The new, refined work activity definitions, as well as related suggestions, are detailed below. In addition, general guidance for each is provided or reaffirmed in the “notes” column:

Countable Work Activities	Interim Rules (per DRA)*	Interim Suggestions	Notes
Job Search and Job Readiness Assistance	This activity must be supervised daily and actual hours in the activity must be documented.	Ensure that all job search activities are adequately documented.	<i>The DRA stresses that only those activities that involve seeking and preparing for work meet the definition of Job Search and Job Readiness Assistance.</i>
Community Service	Work sites must include structured activities that both provide a community service and improve the employability of participants.	Ensure that customers are assigned to work sites that offer opportunities to gain additional, marketable skills.	<i>Efforts should be focused on obtaining quality work sites that serve a useful community purpose and enhance marketable skills.</i>



Countable Work Activities	Interim Rules (per DRA)*	Interim Suggestions	Notes
Work Experience	Integrating non-related activities such as job search, job readiness, and vocational educational training will not be permitted.	Ensure that other countable work activities are not included as participation in this activity.	<i>As in the past, Work Experience assignments must offer the opportunity to acquire general skills, training, knowledge, and work habits necessary to gain employment.</i>
Vocational Educational Training	The definition is narrowed to include programs that prepare participants for a specific trade, occupation or “vocation.”	Ensure that this activity does not act as a catch-all category for any type of educational activity (e.g., GED prep, ESOL).	<i>Basic skills, language training and post-secondary education leading to a baccalaureate or advanced degree are explicitly restricted. Also, as in the past, hours for unsupervised homework does not count as participation.</i>

\*more specific guidance will be issued once state verification plans are approved.

## Planning Ahead

Many workforce agencies have already taken steps that will help them to incorporate the new work activity definitions. For example, one region now requires participants in Job Search and Job Readiness Assistance activities to visit a One-Stop on a daily basis dressed in interview-appropriate attire. Each day, participants attend a short seminar relating to job searching and obtaining employment. Next, participants can work independently, network with other participants, and work one-on-one with placement staff, with a goal of obtaining referrals to jobs that are aligned with employment goals.

This process results in increased placements and it's an easy and accurate way to track participants' actual time.

Another example is a Community Service Worksite Agreement process put in place by Florida's Workforce Alliance (Palm Beach County). A separate agreement form is completed for each Community Service position, detailing the position's duties, skills to be obtained, and reporting requirements. The agreements help ensure that participants are placed in positions where needed skills can be obtained and are in alignment with their employment goals — and that their progress is assessed regularly.

The result is a win-win, says Workforce Alliance CEO Kathryn Schmidt. “The community receives a benefit, the participant gains the skills he or she needs, and the Entered Employment rate improves.”

## Charting a Course

From a more general perspective, one of the best ways to ensure that new work activities and documentation requirements are addressed is to begin with a solid Individual Responsibility Plan (IRP), according to Workforce Consultant Marilyn Sandoz, of Taylor, Lombardi, Hall & Wydra — a Florida-based workforce monitoring firm.

“A strong IRP can be a roadmap that guides the way to self-sufficiency.” The key, she explains, is to use IRPs as tools rather than tasks. “The IRP should clearly spell-out every step of the plan, including timeframes.” Each participant's plan should include the participant's employment goals, appropriate educational goals, barriers, supportive services, assigned activities, scheduled hours, dates for activities to be completed, documentation requirements, and additional steps for self-sufficiency specific to the participant.



But even a great IRP is only effective if you use it, Sandoz notes. “The Case Manager must believe in it and sell it to the participant.” When that happens, the IRP works as a “navigation system” — mapping out exactly what the participant needs to do and when.

Outside review is particularly helpful in identifying opportunities for improving processes and performance, and ensuring compliance with changes detailed in the DRA. Such reviews are among the continuous improvement services provided by TLHW, which has assisted several Workforce Development Boards in this way, helping organizations identify issues before they become problems — a proactive approach.

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Taylor, Lombardi, Hall & Wydra, P.A., is a firm of independent Certified Public Accountants, located in the Orlando, FL area. For the past 15 years, TLHW has provided monitoring, continuous improvement, and technical assistance services to Workforce Boards and non-profit organizations — including conducting various process reviews for Workforce Boards. For more information about TLHW, please contact the firm at (407) 539-2066 or visit [www.tlh-cpa.com](http://www.tlh-cpa.com). ■