

The Redesign of DC's Temporary Assistance for Needy Families (TANF) Program

David A. Berns, Director
DC Department of Human Services

2011

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HUMAN SERVICES

EXECUTIVE OFFICE OF THE MAYOR



Dear Friends,

When I made the decision to run for Mayor, I did so both recognizing and appreciating that the present economic climate is creating substantial employment challenges for many families. As we work to bring our city together, it is imperative that we address the employment needs of all our residents. I am pleased to pen this letter kicking off the redesign of the Temporary Assistance for Needy Families (TANF) program and share the commitment of the Department of Human Services to create supportive conditions for the residents of the District of Columbia to enhance their quality of life.

With the redesign of the TANF program, the District is positioned to provide an array of tightly coordinated social services, job preparation and job placement services that will better meet the needs of struggling families in the District. The reforms to the TANF program will help our residents overcome education and skills barriers, gain meaningful employment, retain their jobs, eliminate their need for public assistance, and aid in breaking the cycle of dependency.

The TANF Redesign presents a new approach of coordinated programs that emphasize the importance of job training and retention. This accountable, person-centric approach strives to strategically balance the District's finite resources and the needs of our residents. It is designed to empower families and make them accountable to shape their own futures while leveraging programs across government agencies. In turn, you have our commitment to maintain richness in programs and services, including vocational training, adult education, quality case management, and high quality childcare and public education services.

As DHS moves forward with the implementation of a redesigned TANF program, I encourage our business and community partners to continue seeking innovative ways to work with us as we improve programs and services in the District of Columbia, Our City- One City.

Vincent C. Gray
Mayor

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HUMAN SERVICES

OFFICE OF THE DIRECTOR



Dear Friends,

I am excited about the opportunity to work for the residents of the District of Columbia and to inform and participate in this dynamic movement to help Temporary Assistance for Needy Families (TANF) recipients achieve success in employment, education, and in life. Too often, we underestimate the drive and the spirit of our TANF mothers and fathers, who want to do what is best for themselves and their family. Due to inadequate education, lack of vocational skills, depression or other mental health or developmental disabilities, fear of domestic violence, addiction, past criminal histories, or a series of bad luck TANF clients may need a helping hand to help them navigate their way out of poverty.

My goal for the Department of Human Services (DHS) is to assist families in developing a plan to emerge out of poverty and achieve their goals. As partners in this effort, parents can utilize the skill and knowledge of DHS employees, contractors, and relationships with sister agencies, community partners and others, to achieve their personal self- sufficiency plan.

The Mayor has identified welfare reform as an economic development strategy in the District. To address the dramatic rise in unemployment, DHS will work with the Deputy Mayor for Planning and Economic Development, the Director of the Department of Employment Services, and the Office of the State Superintendent for Education to forge new partnerships with business and community leaders, and to develop the expertise in TANF recipients to compete for and retain quality jobs paying a livable wage.

In the coming months, DHS will implement one of the most sweeping operational changes in the District's TANF program in decades. I am excited to work with a team of visionaries and I thank all of the staff, community stakeholders, TANF experts, and clients who contributed to this effort.

David A Berns
Director
Department of Human Services

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HUMAN SERVICES

INCOME MAINTENANCE ADMINISTRATION



Dear Colleagues and Community Leaders,

Over the last year, I have been privileged to work with dedicated individuals from across the community who share the common goal of building an effective and robust Temporary Assistance for Needy Families (TANF) program. Our focus from the start has been to offer the most comprehensive array of services possible to recipients, many of whom have diverse and complex needs.

When we asked community stakeholders, including TANF experts, advocates, and recipients, for feedback on the existing program and creative ideas and solutions to challenges, we received thoughtful and in-depth responses. Their input helped shape the fundamental elements of the redesign. As we implement the phases of the new program over the coming year, we will continue to seek input from our community partners.

DHS is committed to delivering an accountable, compassionate, and person-centered model, which empowers TANF recipients to build their capacity, increase their earnings, and transition from welfare assistance. While the focus of the redesign is on building a system that considers the personal responsibility and individual needs of our customers, the accountability and meaningful outcomes of our contractors, and the agency's management responsibility, our goals cannot be achieved without the partnership and commitment of employers, the engagement with the small business community and the development and expansion of new markets for employment. As one city, we will forge new relationships and foster existing business and District partners.

In this white paper, we want to share the results of our research, the framework for the model, and the phased implementation plan that we believe will result in a robust, person-centered TANF Employment Program. To the Income Maintenance Administration's management and TANF Redesign team, the TANF Roundtable participants, the Department of Health and Human Services, and all who contributed to the development of this work, I truly thank you.

Deborah A. Carroll, Esquire
Administrator

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Executive Summary

Temporary Assistance for Needy Families (TANF) is the central vehicle for providing assistance to families who are experiencing economic challenges. The Department of Human Services (DHS) has undertaken a deliberate, thoughtful, and systematic redesign of the TANF Program to better serve and aid even more families in making the climb to self-sufficiency.

The District's TANF population is unique in comparison to most jurisdictions in the United States. Proportional to the population, the District's TANF caseload is significantly larger than that of any other state. The size of the District's caseload alone brings challenges in providing quality, individualized services for our customers. The economic downturn has considerably increased the TANF caseload and compounded the chronic employment challenges that TANF customers face. In this climate, improving the long-term employability of the TANF customer in order to achieve family-sustaining income has become even more important.

With the redesign of the TANF program, DHS is committed to delivering an accountable, compassionate, and person-centric model, which helps TANF recipients transition from welfare assistance. Designed to effectively manage and maximize limited resources, the program incorporates lessons learned from the current TANF program, national best practices, an evaluation of available community services, and contributions from an array of community stakeholders.

The current TANF model was designed in response to the federal Work First program approach with a primary focus on rapid employment including job readiness and job placement services. The current program utilizes a suite of programs to provide supportive services to TANF customers to address barriers to sustainable employment. These programs will continue to be utilized and leveraged in the redesigned model to offer TANF customers a full suite of tightly coordinated services.

The new program includes key elements to achieve its goal of empowering struggling families to attain independence:

1. Enhanced Customer Assessment and Personalized Referral
2. Unified Case Plans for families connected to multiple agencies
3. The TANF Universal Service Delivery Model
4. Barrier Removal and Skill Development Services
5. Wraparound Case Management & Case Coordination
6. Revised Contractor Compensation Structure

DHS initiated the redesign process by conducting a wide-ranging needs assessment, including a series of intensive roundtables that included national TANF and the TANF Employment Program TEP experts, local advocates, employment vendors, TANF customers, Council of the District of Columbia staff, Executive Office of the Mayor staff, DHS staff, local TANF service providers, and other health and human services agencies in the District. DHS also performed further research on national best practices and conducted a pilot program to identify opportunities for

improvement within the TANF process, particularly related to work participation requirements and mechanisms for reporting work participation hours.

The centerpiece of the TANF program, the TANF Universal Service Delivery Model, represents the District's new person-centric program vision. Based upon the customer profile developed during the assessment, DHS will determine the nature and scope of activities corresponding to the customer's level of need and refer the customer to services within one of the four suites of services that best matches the customer's current circumstance. The new system places families in a lead role for reaching self-sufficiency. DHS will assist families in reaching their goals to no longer live in poverty. Much of this support will focus on the development of skills and resources to enter and succeed in the labor market. The services and functions of the four quadrants of the TANF Universal Service Delivery Model are:

- Job placement
- Work readiness
- Barrier removal and work support
- Barrier removal and financial support

To implement the redesigned TANF program, DHS has developed a phased implementation plan to ensure a successful execution. While the first phase is currently underway, the implementation of subsequent phases is dependent upon completion of each phase, including the completion of software upgrades and the issuance, selection, and award of contracts, as well as addressing challenges such as ensuring an adequate budget and staffing of key roles.

Continual assessment, including the development and tracking of performance measures, is a critical element in the TANF program redesign. DHS has established goals and outcome measures which will be evaluated and tracked continually to ensure success in helping people move from TANF dependency to greater levels of independence. Additionally, DHS developed an extensive cost model and a results-driven compensation structure that incentivizes the employment contractors to achieve specific outcomes including long-term, high-wage job placement, education and skills enhancement and other work-readiness and barrier removal activities. The cost model incorporates the key performance metrics, case management, and desired employment related outcomes.

DHS is committed to continuous improvement to achieve positive outcomes that will increase the number of customers who overcome education and skill barriers to become employable, meet work participation requirements, gain employment, secure high wage jobs, retain those jobs, and eliminate their need for public assistance. The new TANF program model will meet these needs and will significantly improve the processes, services, and administration of the TANF program.

I. Introduction

The core mission of the Department of Human Services (DHS) is to provide supportive services to the residents of the District of Columbia to enhance their quality of life and achieve greater degrees of self-sufficiency. Temporary Assistance for Needy Families (TANF) is the central vehicle for providing assistance to families who are experiencing economic challenges. While the TANF program in the District of Columbia has been nationally recognized for placing individuals in employment, transitioning thousands of families from public assistance, and serving an unparalleled percentage of the population, DHS strives to better serve and aid even more families in making the climb to self-sufficiency. With this fundamental goal, DHS has undertaken a deliberate, thoughtful, and systematic redesign of the entire TANF Program.

With the redesign of the TANF program, DHS is committed to delivering an accountable, compassionate, and person-centric model, which helps TANF recipients: (1) build their capacity for self-sufficiency, (2) increase their earnings, and (3) transition from public assistance. The system redesign focuses less on the federal work participation mandates and more on empowering the client to take the lead in achieving self-sufficiency. DHS and the Contract vendors will guide the client and facilitate the connection to valuable resources and available training and education programs, with a commitment to providing quality services to TANF clients, whatever their presenting circumstances. Designed to effectively manage and maximize limited resources, the program incorporates lessons learned from the current TANF program, national best practices, an evaluation of available community services, and contributions from an array of community stakeholders.

Mayor Vincent C. Gray has set forth four key priorities for his administration. These priorities include (1) fiscal stability; (2) quality education; (3) jobs and economic development; and (4) safe communities. In support of the Mayor's priorities, DHS has established the following goals:

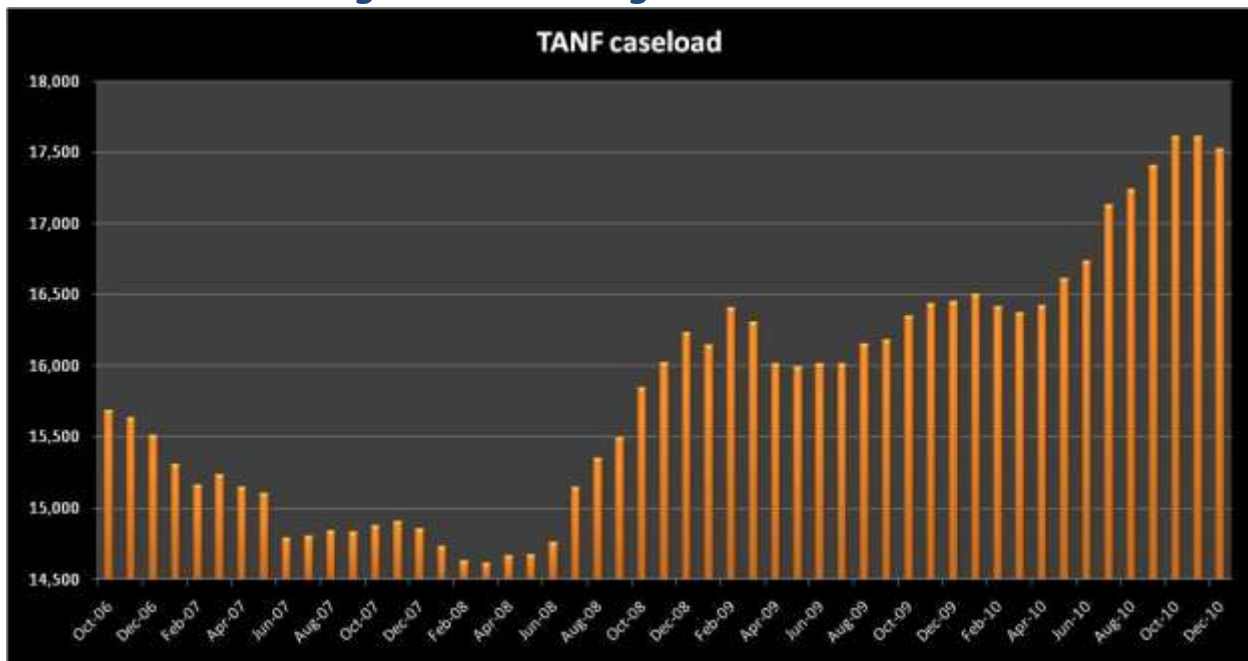
1. Move more families to self-sufficiency by addressing their unique needs;
2. Allocate limited resources to solutions that address the underlying barriers to self-sufficiency and break the cycle of dependency;
3. Institutionalize cross-agency collaboration to create a unified service plan that is crafted in conjunction with the family; and to deliver coordinated services that integrate distinct programs operated by individual agencies;
4. Engage local organizations and leverage community-based resources to supplement and reinforce the services and supports for the customer; and
5. Maximize the use of support programs that promote early intervention and proactive issue remediation, thereby mitigating the need for more intrusive and costlier measures involving the criminal, juvenile justice, and child welfare systems.

The TANF redesign focuses on helping recipients achieve self-sufficiency and economic stability through barrier remediation, skills development, adult education and training, job preparation, and placement and hence plays a vital role in achieving the four key priorities.

II. The District's TANF Population

The District's TANF population is unique in comparison to most jurisdictions in the United States. Proportional to the population, the District's TANF caseload, which is 17,100 families, is significantly larger than that of any other state. The State of Maryland, for example, with a population ten times the size of the District, has a TANF caseload of about 25,000 families.¹ The size of the District's caseload alone brings challenges in providing quality, individualized services for our customers. The economic downturn has considerably increased the TANF caseload as shown in Figure 1 below, and compounded the chronic employment challenges that TANF customers face. The pool of available jobs has decreased and TANF customers now have to compete against more skilled and educated individuals, both within the District and the surrounding jurisdictions. In this climate, improving the long-term employability of the TANF customer to achieve family-sustaining income has become ever more important.

Figure 1 - Growing TANF Caseload



Source: DHS Automated Client Eligibility Determination System (ACEDS), January 2011.

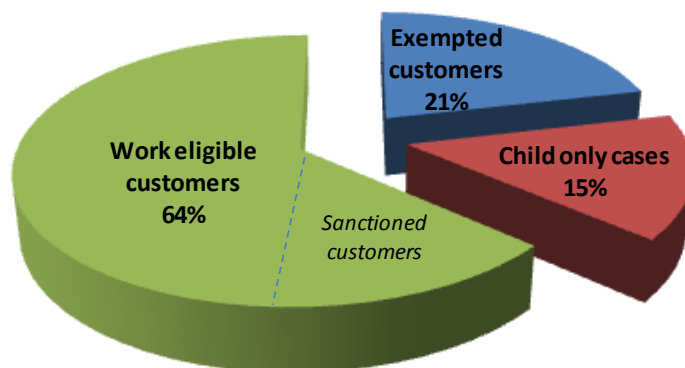
While some of the District's TANF customers are 'work ready' (i.e. few education and skill gaps and low personal barriers to employment), a significant number face multiple barriers to work including limited education, minimal work experience, personal and family health issues, substance abuse and legal issues, and transportation and child care challenges. With a primary focus on rapid employment, the current TANF Employment Program (TEP) design, a one-size-fits-all model, is most effective for those customers that are work ready.

The average monthly TANF grant is approximately \$370 for non-exempt families who meet work participation requirements. Of the 17,100 families receiving TANF benefits (as of June 2011), approximately 36% are exempt from work participation requirements (21% exempted and 15% child only cases). The remaining 11,000 families that are non-exempt are required to

engage in work, training, or education activities. Due to multiple factors, including those listed above, participation rates of non-exempt TANF families in DC are low; 5-10% of customers meet their federally required participation hours. A customer who fails to comply with requirements of the TEP may face a financial sanction that removes the adult's portion of the grant, thereby reducing the customer's benefit by approximately \$70.

As shown in the chart below, 21% of the TANF population is exempt from work activity requirements. Customers are generally exempt from work requirements only in special circumstances, such as disability, incapacity or illness, lack of appropriate childcare, caring for a disabled family member or a child under the age of one, or advanced age. Another 15% of the TANF caseload is “child only” cases, where only the child receives the benefit, and in most cases, cared for by a guardian other than the parent; child only customers are also exempted from exempt from work requirements.

Figure 2 - TANF Caseload as of June 2011

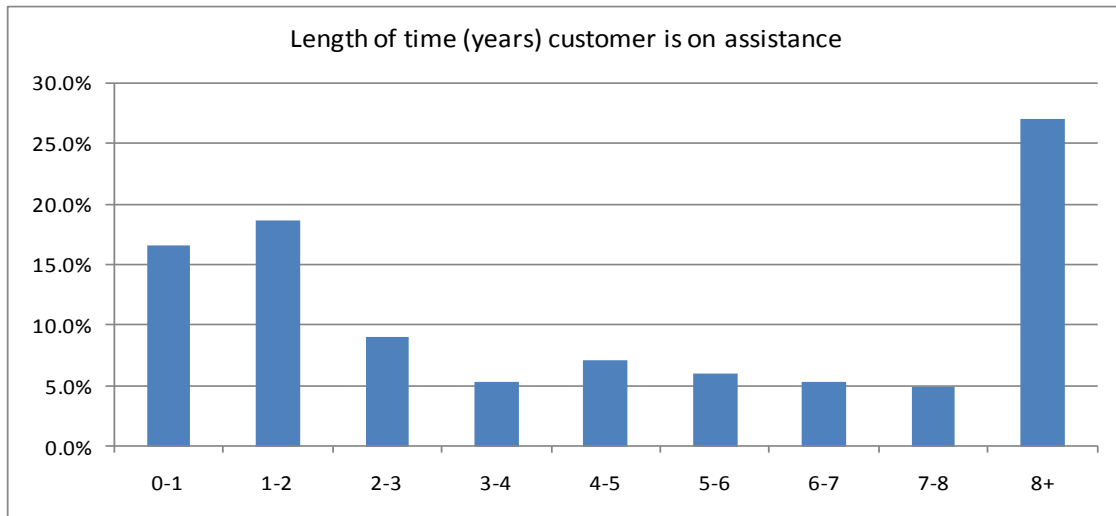


Source: DHS Automated Client Eligibility Determination System (ACEDS), June 2011.

Approximately 64% of customers are work eligible. 41% of work eligible and are currently employed, seeking employment, or engaged with an employment vendor or other service provider, while 23% are sanctioned. Currently, six employment vendors provide work readiness and job placement services to TANF customers. Their combined caseload capacity at any point in time is approximately 3900 customers. Annually, approximately 5000 customers are referred to the employment vendor. The limited caseload capacity proves to be a primary factor in the wait time and number of customers eligible and waiting for referral to employment vendors.

While the majority (58%) of the TANF population is under the age of 30, with nearly 40% under the age of 25, a number of TANF recipients have been receiving TANF for an extended period of time. As of January 2011, 45% of the work eligible TANF population has been receiving TANF benefits for more than the federally mandated 60-month time limit and at least 25% receiving TANF benefits for 8 years or more. The table below shows how long customers have been receiving TANF benefits.

Figure 3 - Years on TANF Assistance



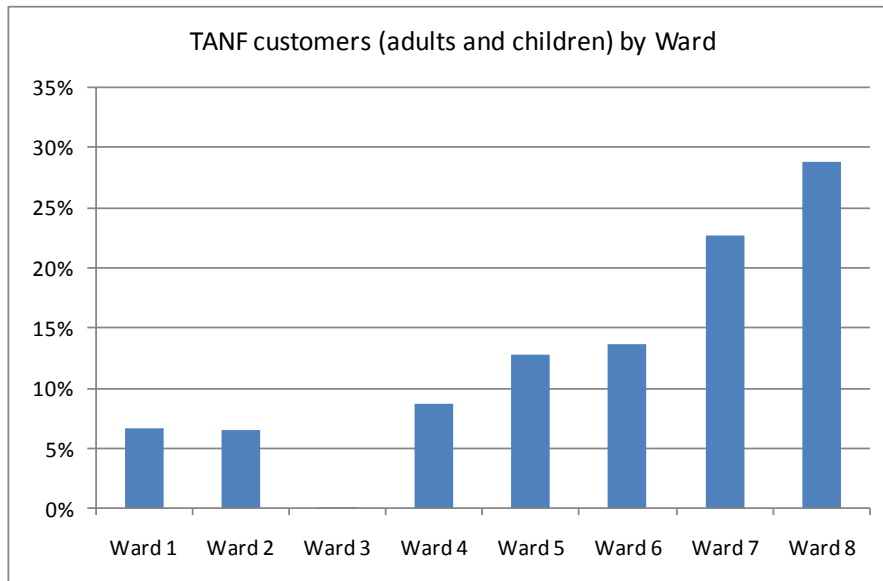
Source: DHS Automated Client Eligibility Determination System (ACEDS), January 2011.

These recipients often face significant challenges and multiple, co-occurring barriers to attaining employment and independence. For example, the National Center for the Study of Adult Learning and Literacy found that 35% of TANF recipients read at the 1st grade level and 41% read at the 2nd grade level making it difficult for these recipients to find or maintain full-time jobs.² Additionally, an in-depth 2003 study shows that District TANF recipients who have been receiving TANF for more than three years were significantly more likely to face skill challenges than those who have been receiving TANF for less than three years. Recipients receiving TANF for more than three years were more likely not to have a high school diploma or GED (42% v. 35%), to have low work experience (36% v. 20%), and to have experience with three or less job tasks (35% v. 20%). Recipients with longer tenures were also more likely than short-term recipients to have a child with health problems and to have a family member or friend with health problems (35% v. 19% and 14% v. 8%, respectively).³

Job retention also plays a critical role in moving towards self-sufficiency. From January 2010 through December 2010, employment vendors placed 1,600 TANF customers into employment. Of those, 28% lost their jobs during the same time period. Of those who lost jobs, 37% became unemployed within 30 days of entering employment and 63% became unemployed within 60 days of their employment start date. This statistic reinforces the need for TANF programs to incorporate and emphasize employment retention strategies.

Over 50% of the District's TANF households report addresses in Wards 7 and 8; and over 60% of those that have engaged with an employment contractor report addresses in Wards 7 and 8. Services, training, childcare, and employment with proximity to one's home have shown to contribute to dramatically improve outcomes for customers. The graph below illustrates the distribution of the District's TANF customers by Ward.

Figure 4 - TANF Population by Ward



Source: DHS Automated Client Eligibility Determination System (ACEDS), January 2011.

III. Current TANF Program Model

The current TANF model was designed in response to the federal Work First program approach reflected in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996.⁴ In 1998, with PRWORA's primary focus on rapid employment, DHS awarded contracts to a number of employment vendors to provide employment related services. The employment vendors initiate customer engagement with an orientation, assessment, and development of the customer's Individual Responsibility Plan (IRP). Customers participate in a multi-week job preparation program and then begin a job search culminating in full-time unsubsidized employment. The employment vendors assist customers with activities such as developing a resume and cover letter, enhancing interviewing skills, and crafting the job search strategy. They also perform multiple support functions, including customer outreach, time reporting, issuance of participation payments and stipends, and requests to impose and remove customer sanctions.

Because of exceptional performance, the U.S. Department of Health and Human Services (DHHS) awarded the District \$168 million dollars in high performance bonus awards. Between 1999 and 2005, DHS received 13 out of 14 possible annual performance bonuses for success in placing work ready customers in employment, exceeding the number of awards from any other state. However, changes to TANF in the Deficit Reduction Act of 2005 eliminated bonus awards, substantially changed performance guidelines and significantly increased the proportion of assistance recipients who must participate in work activities for a specified number of hours each week in order to receive assistance.⁵ In response, the District modified its TANF funding model and added a separate funding stream to pay TANF cash assistance for participants who failed to meet the new federal work participation requirements. Since 2006, the District averages approximately \$39 million annually, in TANF cash assistance to avoid work

participation requirement penalties. In FY 2010, over 8,000 TANF recipients recorded work participation hours for at least one month; however, on average, only 8% fully met the work participation requirements in any given month.

Work participation requirements vary based upon the client’s circumstances. Table 1 outlines the work requirements. Single parents with a child over 1 year of age are required to participate for 20 or 30 hours per week. For Customers in a two parent household with a child under 1 year of age, one parent is exempt from TANF participation and the other is required to complete 30 hours per week. Two parent households with a child over 1 year of age are required to work a combined 55 hours per week.

Table 1 – TANF Work Participation Requirements

Work Participation Requirements	Single parent household	Two parent household without funded child care	Two parent household with funded child care
Child under 1 years old	Exempt	30 hours/week	30 hours/week
Child 1-6 years of age	20 hours/week	35 hours/week	55 hours/week
Child over 6 years of age	30 hours/week	35 hours/week	55 hours/week

DHS also implemented an earned income disregard and a dependent care and work expense deduction so that TANF customers could retain more of their earned income and TANF grant while transitioning to sustainable employment. The earned income disregard reward discounts a portion of earned income to reduce countable income when calculating the TANF grant amount. The work expense disregard deducts \$160.00 plus 2/3 of the remaining income from a customer’s gross income. The dependent care disregard deducts up to \$175.00 or \$200.00 from gross earnings dependent upon actual expenses and the child’s age.

The current TEP contract is a performance- based contract with specified payment points and vendor bonuses for job retention and higher wage placements. Of the six current TEP vendors, all have on-site training programs and four are recognized as national programs. TEP vendors receive payments for customer assessments, home visits, and for customers who meet full and partial weekly participation requirements. Additionally, vendors receive payments for initial job placements and bonus payments for customers who retain employment for three and six months. Customers also receive incentive bonuses for obtaining and maintaining employment with payment points at one, three, and six months. Over the past three years, DHS has expended a total of \$29 million in client and contractor payments.

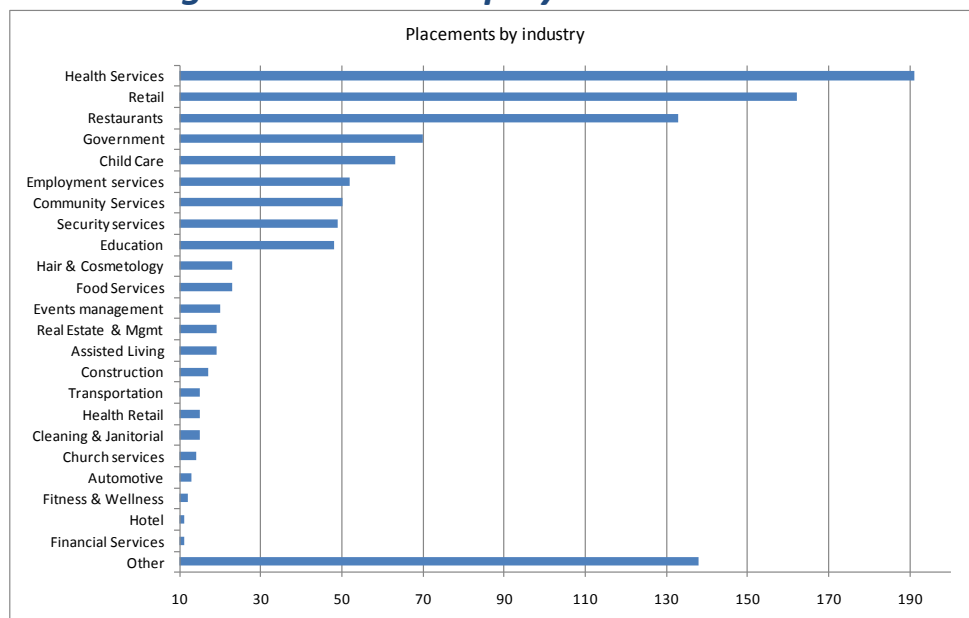
Based on data compiled from the Customer Assessment Tracking and Case History (CATCH) system, DHS’s web based case management system, employment vendors placed over 1600 customers in employment, from January 2010 through December 2010. Health services, retail and restaurants accounted for approximately 41% of the placements. Customers in the health services industry earned an average hourly wage of \$11.61 while customers working in the retail and restaurant industries earned an average of \$8.85 and \$8.25 (excluding tips) respectively. The top employing industries reflect those industries that are mainstays in the

Washington Metropolitan Area and that offer positions that are accessible to the District's TANF customers given their skills and education levels.

To ensure that customers can secure family-sustaining jobs with growth potential, the job placement strategy for TANF customers must be more selective in terms of the industries and positions that are targeted. DHS plans to progressively steer its job placement strategy towards those industries that are projected to boom in the Washington Metropolitan Area, provide sustainable wages, such as data communications and health services, and those positions that best match the customer's skills and aspirations.

The chart below shows the top employment industries for January through December 2010.

Figure 5 - TANF Employment Industries



Source: DHS Customer Assessment Tracking and Case History (CATCH) System, January 2011.

In addition to job readiness and job placement services, DHS established a comprehensive suite of programs to provide ongoing supportive services to TANF customers that address barriers to sustainable employment. These programs will continue to be utilized and leveraged in the redesigned model to offer TANF customers a full suite of tightly coordinated services.

Home Visitor Program: DHS awards grants to organizations to assist TANF recipients who are sanctioned or at risk of sanction by addressing the barriers to engagement in required work activities. Grantees conduct a series of home visits to these families in order to identify and address factors that cause them to be sanctioned and/or fail to transition from TANF dependency to sustainable employment. From April 2009 through March 2010, 1270 customer referrals were made to the home visitor program. Grantees successfully visited 747 homes and re-engaged 388 clients in the TANF program. Grantees addressed a number of issues including housing, medical, and legal needs and recommended clients for exemption where appropriate.

Family-to-Family Mentoring Program: The Family-to-Family Mentoring Program helps fill the need for positive relationships to reinforce and support self-sufficiency. Some TANF recipients lack the immediate and extended family support systems that serve as important sources of advice, friendship, and nurturing. During FY 2010, 351 families participated in the mentoring program, including 232 mentee families.

Domestic Violence Support - My Sister's Place (MSP): MSP is an interactive community committed to eradicating domestic violence. DHS awarded a grant to MSP to provide safe, confidential shelter, education, and advocacy for battered women and their children who are TANF recipients. MSP's programs consist of emergency shelter, transitional housing, emergency services, and a 24-hour crisis hotline. 83 TANF clients were referred to MSP during FY 2010. Of those, 60 were temporarily exempted from work participation requirements. MSP reached over 5800 District residents through outreach programs, educating about prevention and survival of domestic abuse.

Tuition Assistance Program Initiative for TANF (TAPIT): DHS developed the TAPIT scholarship program to assist eligible TANF customers in obtaining a two or four year degree at a local college or university. TAPIT funding may be used to cover the balance of tuition, fees, and books at eligible institutions. The TAPIT program expended \$135,905 in funding during FY 2010, providing scholarships to 196 enrolled students.

UDC Paving Access Trails for Higher Security (PATHS): PATHS is a training and educational program for TANF customers developed by DHS in partnership with the University of the District of Columbia (UDC)/School of Business and Public Administration. The PATHS Workplace and Family Literacy Program is designed to emphasize key competencies that TANF customers must demonstrate in order to achieve self-sufficiency. The PATHS program offers students a unique sixteen-week job skills experience -- eight weeks of intensive instruction in workplace-oriented math and English followed by an eight-week career-specific internship program. During FY 2010, PATHS serviced over 1100 clients. Of those, 227 completed job skills training, while another 112 remain engaged in PATHS programs. 135 clients were recommended for exemptions while 395 were recommended for sanctions due to non-responsiveness.

DC Fatherhood Initiative (DCFI): DCFI administers competitive grants for nonprofit, community and faith-based organizations to develop and implement projects that support healthy marriage, responsible parenting, and economic stability. The context for these activities is to create an environment that contributes to the well-being of children. DCFI targets previously incarcerated persons, limited or non-English proficient participants, teen parents, and TANF-eligible parents. In FY 2010, DCFI sub-grantees served 1,196 clients in a variety of activities related to responsible parenting, healthy relationships, and economic stability.

Teen Pregnancy Prevention Program: DHS awards five teen pregnancy prevention grants to a diverse set of organizations to target children ages 11-14 and provide teen pregnancy prevention programs. Services are provided throughout the year including in school, after school, and summer programs. Participants are provided peer-to-peer

mentoring, education that promotes responsible behavior, abstinence education, and education on teen sexuality and the risks of sexually transmitted diseases. Through this program in FY 2010, over 12,776 teens participated in outreach and prevention programs and classes.

Teen Parent Assessment Project (TPAP): The Teen Parent Assessment Project within the Family Services Administration empowers teen parents to move toward self-sufficiency and works to reduce teenage pregnancy in the District. The program strives to accomplish its mission through assessments, case management, support services, pregnancy prevention initiatives, and pro-active, motivational workshops. For FY 2010 TPAP provided case management services and certified living arrangements for 96 District teen parents and provided outreach to over 1500 DC residents.

New Heights Program: In partnership with the DC Public Schools, DHS funds the DCPS TANF Office - New Heights program. The program provides daycare, transportation stipends, and in-school services to teen parents. The goal of New Heights is to help participants finish their education, increase their skills, and prepare to enter the workforce. New Heights offers reality-based training that allows participants to develop personally and improve academic and parenting skills. It also offers GED preparation, mentoring and summer enrichment programs, job placement services and workshops on an array of topics including child development, financial literacy, and college/university admissions processes. During January 2010 through September 2010, more than 500 students at 16 schools participated in the New Heights program. Approximately 1093 clothing articles were distributed, while more than 1000 employment and training referrals were made.

The following new programs are being developed and will be integrated into the TANF suite of supportive services available to TANF customers.

UDC Workforce Development Unit (WDU) Community College Initiative: DHS partnered with the University of the District of Columbia WDU to leverage funds from both DHS and UDC to provide TANF customers with occupational work training, contextual learning activities and community work experience that accelerates academic learning and development of workforce-required skills. Currently, DHS referred 150 customers to DCCC.

UDC Theater Arts Program: DHS has partnered with the University of the District of Columbia (UDC), Department of Mass Media, Visual and Performing Arts to provide training and other services to help TANF customers develop effective communication skills through interactive drama-based techniques and exercises while mastering the interview process and developing conflict resolution and team building skills.

Individual Development Accounts (IDA) Department of Insurance and Banking (DISB) Capital Area Asset Building Corporation (CAAB): IDAs are matched savings accounts that help low-income families move toward self-sufficiency and long-term prosperity. Account holders take money management and asset training classes while saving to buy

a first home, start a small business, or pay for postsecondary education or job training. CAAB, a nonprofit organization, coordinates the DC Saves program on behalf of DISB. This program enables low-income individuals to save money to build wealth through matched savings funds. It also provides free tax preparation and financial education for low-income DC residents. DHS is working with CAAB to develop and coordinate IDAs, financial management training, and related services for TANF customers.

Family Consumer Education and Awareness Grant – Catholic Charities: The FCEA program promotes financial and consumer education and awareness to maximize the use of earned and unearned income, and the use of nutrition assistance for optimum health and well-being in preparation for work. The grant provides outreach to TANF recipients, structured educational group activities designed to improve consumer decision-making and choices that support sound family and nutrition outcomes; and food vouchers and coupons with supermarkets, farmer’s markets, located in the District that accept food stamps and food share programs as incentives for attendance.

IV. TANF Program Redesign

a. Roundtables and Research

In January 2010, DHS initiated the redesign process by conducting a series of intensive roundtables that included national TANF and TEP experts, local advocates, employment vendors, TANF customers (active and sanctioned), Council of the District of Columbia staff, Executive Office of the Mayor staff, DHS staff, local TANF service providers, and other District health and human services agencies. The roundtables fostered an open forum for stakeholders to share and discuss their perspectives on the current TEP program and propose policy and process improvements.

The intent of the roundtables was to gain a thorough understanding of the TANF customer and establish effective person-centric principles from which to develop a community-based TEP model. To achieve this goal, the sessions were aimed at assembling best practices data, identifying gaps in current services, and identifying constructive cost-effective solutions.

One of the results of the roundtables was comprehensive needs identification. The primary findings indicated a need for:

- a. More comprehensive initial customer assessment
- b. Customized service/service provider referrals
- c. Enhanced case management and life coaching
- d. Improved tracking of customers in the continuum of services
- e. Immediate referral of customers to programs or services following assessment

At the conclusion of the roundtables, DHS undertook a thorough analysis of the resulting findings and recommendations. DHS also conducted further research on national best practices through case study reviews including national sanction policies, interviews with key personnel

from other states, and discussions with TEP subject matter experts. DHS also issued a marketing research survey to gather additional information on best practices from TEP vendors and other service providers. Finally, DHS met with the U.S. Department of Health and Human Services' Administration for Children and Families, reviewed, and piloted the federal Online Work Readiness Assessment (OWRA) tool.

The preliminary recommendations from the roundtable discussions and research were:

- a. Include program components to more effectively *identify and remove* barriers to customer work participation;
- b. Migrate from a service-based compensation structure to a results driven compensation structure;
- c. Develop improved methodologies and software tools for tracking and data analysis;
- d. Formulate improved vendor performance measurements; and
- e. Strengthen the graduated sanction policy

b. Pilot Program

DHS conducted a pilot program to improve the work participation levels of a selected group of TANF recipients who were also participating in the Permanent Supportive Housing (PSH) and Systems Transformation Initiative (STI) programs. The focus of the pilot program was to identify opportunities for improvement within the TANF process in relation to work participation requirements and mechanisms for reporting work participation hours. Increasing work participation hours of TANF clients has several benefits for the District and TANF customers. When TANF recipients meet federally mandated work participation hours it reduces program expenditures of local TANF dollars, allowing a cost shift from local to federal funds. The client also benefits from additional participation stipends and job placement and retention bonuses.

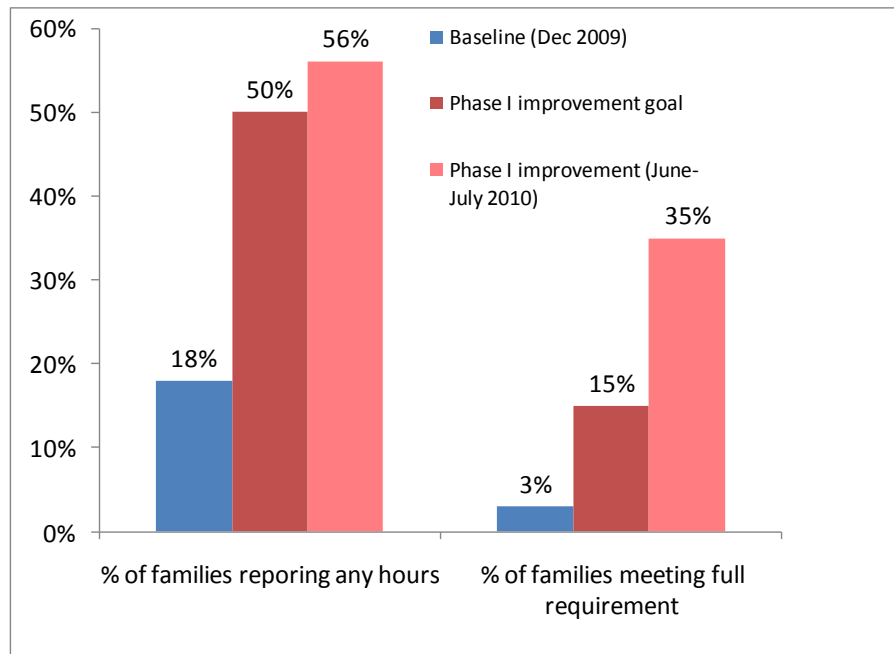
The primary components of the pilot included:

- improving data transparency,
- providing case managers with greater access to customer data,
- creation of weekly dashboards with real-time progress data,
- additional training for cases managers,
- additional customer orientation and assessment,
- case manager assistance in connecting customers with appropriate TEP vendors, and
- improved data capture methods.

DHS selected 179 families for participation in the pilot along with case managers, TEP vendors and other service providers. Of 179 selected families, 8% or 15 families were exempted from work participation requirements bringing total participants to 164 families. Of the 164 participating families, 29% or 48 families were sanctioned at the onset of the pilot. Case management providers tracked client participation in education, training, and work activities for five weeks from May 31, 2010 through July 4, 2010. As shown in the graph, within this

short time period, the number of families reporting work participation hours increased from 18% to 56%, while the number of families meeting full work participation requirements increased from 3% to 35%. Additionally, at least four families were able to end TANF dependency due to newly found employment. The impressive results of the pilot heavily influenced the redesign of the TANF model which incorporates all of the components of the pilot program.

Figure 6 - Work Participation Pilot Results



Source: *Improving the Work Participation Hours of TANF Recipients, DHS Internal Report, August 2010.*

c. Sanction Policy

During the redesign process, special attention was given to evaluating the use and effectiveness of sanction policies as a method of encouraging higher rates of work participation. With attention to ensuring that individuals are connected with services to meet their needs, it will be incumbent upon the TANF customers to avail themselves of the services offered. Of the work eligible population, over 4,000 customers who have been referred to an employment vendor do not have any registered hours of participation in a TEP countable activity. DHS developed a Home Visitor Program to conduct additional outreach to these families to encourage their participation, but with varied success. Under the current sanction policy, the adult head of household’s portion of the grant is removed, which averages approximately \$70.00. This reduction continues until compliance. The reduction does not appear to be a sufficient disincentive for non-participation as many families remain in sanction status for years rather than engage with an employment vendor or community-based service provider. The average number of customers sanctioned each month is approximately 3800, while the average length of time customers remained sanctioned is 24 months.

The new TANF model has additional financial incentives for TANF customers to participate in the program and meet the federal work participation requirements. The TEP design contemplates that the individual detailed assessments will provide DHS with an improved understanding of the barriers to customer participation as well as offer customers a myriad of services and supports provided by DHS and other agencies that will enable them to remediate these barriers to employment. DHS intends to monitor participation and analyze TEP vendor performance to ensure high quality services. After the implementation of the new program model, DHS will implement a sanction policy that permits full family sanctions for customers who consistently fail to participate and who do not have good cause or a work participation exemption.

d. Universal Service Delivery Model & Key Redesign Building Blocks

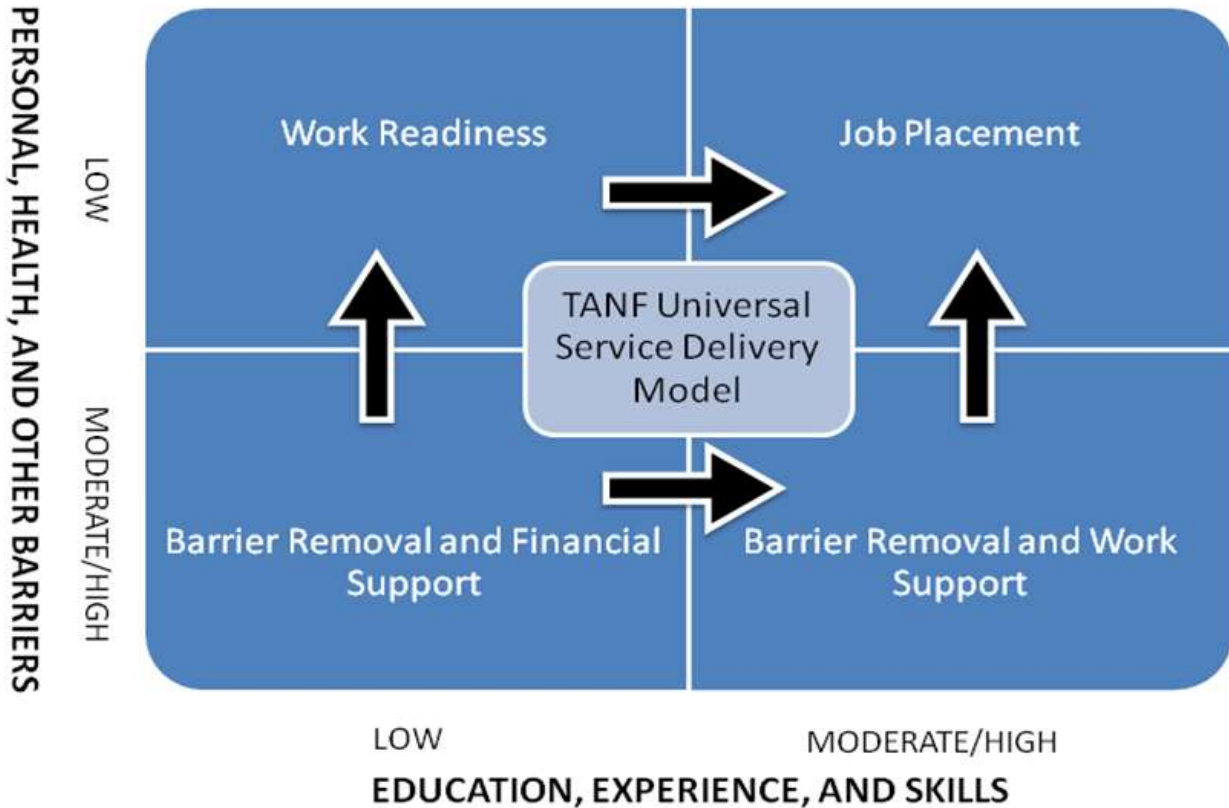
After assessing information from the roundtables, reviewing best practices and data from the current TANF model, DHS focused on developing the centerpiece of its redesigned TANF program model. That centerpiece is the TANF Universal Service Delivery Model which incorporates a number of key elements derived from the requirements gathering phase of this effort. The TANF Universal Service Delivery Model focuses on the whole person to provide a more sustainable path to long-term employment and self-sufficiency.

Elimination of the One Size Fits All Approach

DHS recognizes that self-sufficiency is a continuum. As a continuum, DHS' redesigned TANF program model is a departure from the current one-size-fits-all model and is designed to address existing program shortcomings. The TANF Universal Service Delivery Model offers TANF customers a suite of services to better align their goals, unique needs, and personal and family circumstances with available services. While the Work First model focuses on moving every TANF customer quickly into jobs, the District's redesigned TANF program model recognizes that some TANF customers may need to overcome skills and education gaps before they can successfully enter the workforce. Some customers may also need to remove personal, health and other barriers before they can meaningfully participate in work activities. Therefore, for the first time, DHS will offer clients connected to multiple agencies an opportunity to unify their case plans. For example, if a customer is homeless and receiving services through the System Transformation Initiative (STI), compliance with their self-sufficiency plan will count towards compliance with their TANF Individual Responsibility Plan.

The TANF Universal Service Delivery Model shown below in Figure 7 represents the District's new person-centric program vision and will match client needs with the intensity, timing, and requirements of the services offered. The model contains four basic suites of services, which address clients with low-to-high education, experience, and skill levels and low-to-high personal, health, and other barriers. Based upon the customer profile developed during the assessment, DHS will determine the nature and scope of activities corresponding to the customer's level of need and refer the customer to services within one of the four suites of services that best matches the customer's current circumstance.

Figure 7 - TANF Universal Service Delivery Model



The services and functions of the four quadrants of the TANF Universal Service Delivery Model are described below:

- **Job placement:** Customers with low personal and health barriers and moderate to high levels of education and skills will receive services that are geared towards rapid employment. The focus is on job preparation, job search, job placement, and retention. Customers also receive case management services while they are actively looking for jobs. DHS expects customers receiving “job placement” services to fully engage in work participation activities and move into un-subsidized employment relatively quickly.
- **Work readiness:** Customers with low personal and health barriers and low levels of education and skills will receive short-term services geared toward enhancing their skills and education so they become employable. The focus is on education, vocational training, work experience, and community service that will enable the customer to develop their skills. Customers receive more intensified wraparound case management services to closely follow their skills and educational progression. Once these customers have sufficiently developed their skills and ready for employment, they will move to the top right quadrant of the model and receive “job placement” services.
- **Barrier removal and work support:** Customers with moderate to high personal and health barriers and moderate to high levels of education and skills will receive case coordination and will be connected to intensive social services in the District (e.g. health, mental health, rehabilitation) to address their challenges. They will have the

opportunity to participate in subsidized work (time limited work opportunities where wages are paid for, in full or in part, by an entity who is not the customer's employer) or supported work (customized work opportunities tailored to individuals with disabilities). In addition, if connected to multiple programs, customers may unify their case plan.

- **Barrier removal and financial support:** Generally, customers with moderate to high personal and health barriers due to temporary or permanent disability and low levels of education and skills are exempt from work participation requirements. Nonetheless, these customers will receive case coordination services (e.g. health, mental health, rehabilitation) to address their challenges and have access to a Supplemental Security Income (SSI) advocacy program that supports disabled TANF customers in their application and attainment of SSI benefits, and/or TANF's Program On Work, Employment and Responsibility (POWER). POWER supports TANF customers who are unable to work due to disability or incapacity.

Mandatory Program Orientation

One of the most consistent concerns expressed by customers is the lack of information available to them about the requirements of the TANF program and the services available to them. This was illustrated in the pilot when case managers requested training on the TANF requirements and customers were provided TANF program information in the focus group sessions. Following the sessions, a dramatic increase in customer work participation ensued. Under the new model, clients will be required to participate in an orientation. The orientation will include program rules and requirements, information about supportive services, exemptions, and achieving independence from public assistance. Customer orientation is a critical component of the TANF program. Effectual customer orientation will provide TANF customers with program expectations, the process, and requirements needed to successfully navigate the TANF program as well as allow uniform and consistent program messaging.

Mandatory Assessment and Personalized Referral

Improved customer experience through enhanced assessment and personalized referral is also a key building block of the TANF redesign. DHS will administer an in-depth assessment that will create a holistic profile of the customer's skills, education, work experience, abilities, personal health, employment barriers, and personal goals. Sister agencies such as the Department of Mental Health and the Office of the State Superintendent for Education will provide consultative services for clients who have significant barriers, in order to determine the supports needed to achieve their mental health and learning goals. Customers will then be matched and referred to the appropriate suite of services, assistance level and service providers based upon their profile and services delineated in the TANF Universal Service Delivery Model. The customer is central to the development of the plan, providing input on what interventions have helped in the past, what supports are important to the customer's success, and what work, training, or educational goals the customer wants to achieve.

Case Management Services

Additionally, the District's philosophy is that engaging customers in some form of barrier mitigating activity and progressively increasing their engagement over time will help them transition to not only meeting work participation requirements but more importantly prepare them for better, long-term stable employment and individual fulfillment. While remaining committed to the work participation requirements, the redesigned TANF program model is an integrated person-centric model which emphasizes education and skills enhancement, barrier removal, intensified work support, and wraparound case management services that lead to sustainable employment. The implementation of the redesigned TANF model will provide appropriate referrals, specialized vendors, and capacity to address the increased caseload. Additionally, the new TANF model is designed to decrease the number of sanctioned customers by providing them with more effective barrier removal, training and education services leveraging existing resources in the District.

While it is still the responsibility of the individual customer to avail themselves of the services available, the detailed orientation and strength-based assessment will help DHS guide the customer to the appropriate suite of services, and thus generate the referrals accordingly. The TANF redesign addresses the unique needs and challenges of this group and assists them in receiving an integrated set of services and case management.

While the TANF Universal Service Delivery Model is the foundation of the redesign, case management is the glue holding fast the model's components. It will enable customers to progressively move toward self-reliance. Wraparound case management emphasizes the coordination of services to address the complex needs of customers. The case management is aimed at delivering the comprehensive set of services outlined in the TANF Universal Delivery Model. To achieve positive outcomes for the TANF customer, case managers and case coordinators will monitor, facilitate, and track customers' progress throughout their participation in the TANF program. Customers will be empowered to make decisions about their short and long-term goals to achieve self-sufficiency and encouraged to develop a plan that is achievable and moves them toward independence. Customers will also be able to unify their case plans when they are being serviced by multiple agencies. Compliance with that plan will constitute compliance with the TANF work plan. This will ensure that clients are making the necessary progress toward sustainable achievement of their goals.

Diversions Program

Using a strength-based approach, the new interview process starts when a new or existing TANF family applies or has their eligibility re-determined. A self-sufficiency plan will be negotiated and developed immediately as part of the eligibility process. DHS will start by asking customers about their goals and how the customer feels they will get out of poverty. (By definition, every family receiving TANF is living below the poverty line). We will proceed on the assumption that they want and expect more for their family.

Solution Focused Interviews

For new applicants, we will implement the diversion program that has been part of the DC TANF plan but seldom used. This diversion program allows customers to receive the equivalent of three (3) months of cash assistance in order to remediate an immediate crisis. Customers who receive this benefit are not eligible for the TANF cash assistance for that period. Through the provision of immediate resources and crisis intervention by the Family Services Administration's Strong Families Division, we believe many families can return to self-sufficiency without ever having to formally receive ongoing TANF benefits.

DHS staff will be trained to engage customers in a way that draws on their strengths, to empower customers to make decisions that will help themselves and their family. We will start by asking the questions: "How have you made it on your own until now? What is different?" Based on their answers we will help them address the immediate issues. Similar approaches in other jurisdictions have been able to divert as many as 50 percent (50%) of the new applicants by putting them back on their feet immediately.

For those that cannot be diverted and those who have been receiving TANF for a while, we will honor their efforts and ask, "What have you already tried? What was most successful? How can we build on that success?" In other words, there will be more focus on a family's strengths than on their deficits. There will be more exploration of opportunities to balance our past emphasis on barriers.

Client Focused Unified Self-Sufficiency Plans

Past plans consisted of referrals to formal training or job placement services with a requirement that the customer comply with the activities mandated by the program in which they are enrolled. Failure to comply with the requirements results in a sanction in which their benefits are reduced. A major change is that the customer will develop and coordinate the plan, subject to certain rules established by the agency. Certainly, opportunities for formal training and job placement will be available for them, but other formal and informal components selected by the customers can also be included. Customers will be accountable to themselves and to the program, based on their individually designed case plan. Every customer who has not been exempted will have a case plan and will need to live up to their own expectations. The plans will be flexible, but all clients will be working hard toward achieving their own goals.

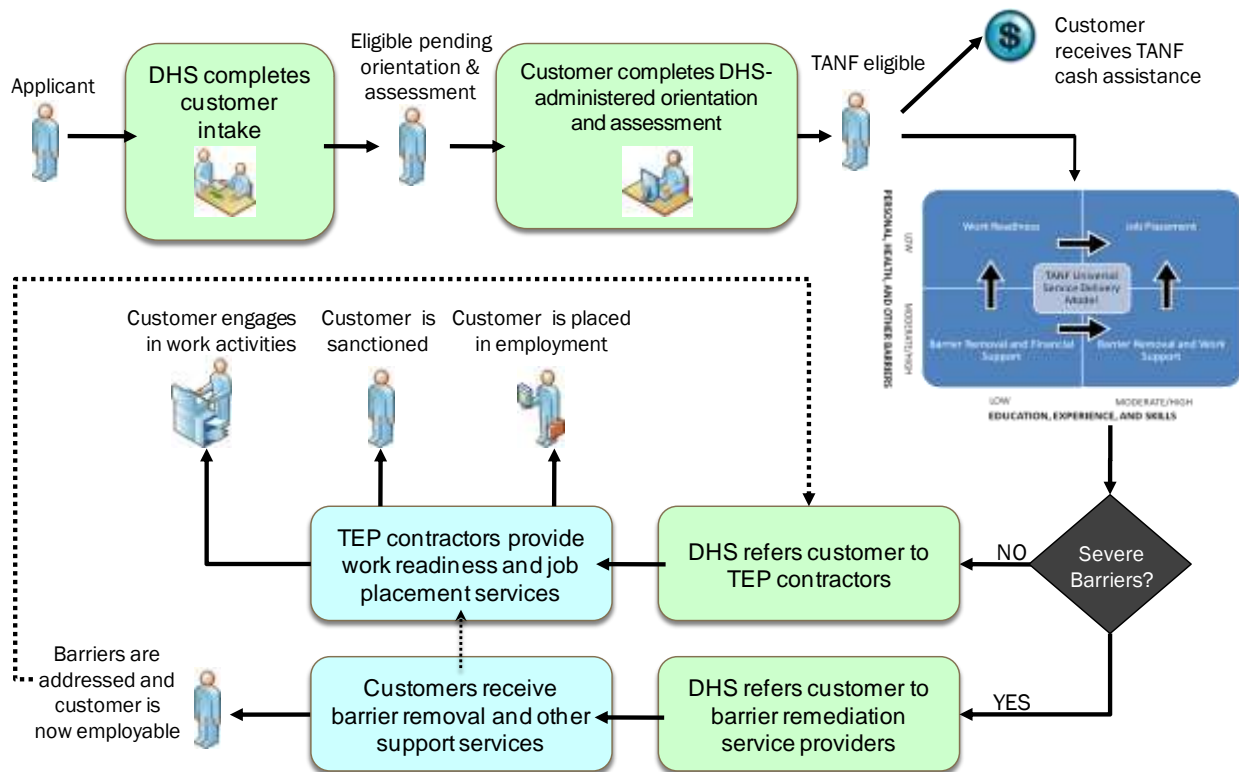
Staff will stress the importance of developing plans that meet the real issues, challenges, and opportunities for our customer. Often, the reason for the lack of a job goes beyond training and job search. Issues such as domestic violence, substance abuse, health care, mental health, housing, child welfare, child support, literacy, school problems, truancy, or the lack of clothes, transportation or child care have to be addressed first. To be successful, these issues must be addressed head on, but often with the use of community support, not necessarily arranged by or paid for by DHS.

Whenever possible, families will be given the opportunity and encouraged to consolidate plans when they are served by multiple agencies and programs. As an example, if a family is involved in the child welfare system, their case plan for the Child and Family Services Agency (CFSA) can

fully meet our work requirements. DHS staff can play a supportive role in helping the family to deal with their financial and long-term economic security issues. Issues of poverty, child neglect, and family safety have to be addressed to ensure the long-term stability and success of the customer. Staff will now ask, “Who else helps you? Are you involved with other agencies or supports? If so, would you like us to all work together to help you?”

Figure 8 provides a depiction of the redesigned TEP process. As shown in the diagram, after customers complete the intake, orientation and assessment, the TANF Universal Delivery Model is utilized to determine the appropriate services for each customer. If the customer is work eligible and has low barriers, they will be referred to an employment vendor for work readiness and job placement services. If barriers to employment are moderate to severe, customers will be referred to the appropriate services for barrier remediation. Some customers will continue with barrier remediation services until they have been fully addressed and then they will be referred to job readiness and placement services. Other customers will receive barrier remediation services and also participate in job readiness or work activities concurrently.

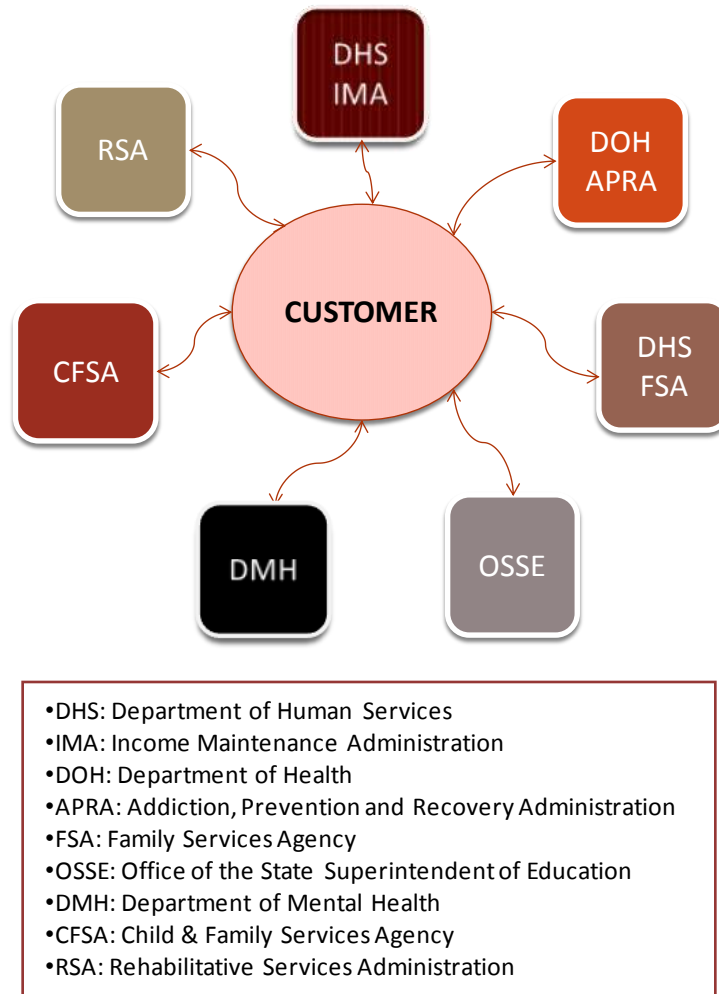
Figure 8 - High-level Process: Redesigned TEP



A key challenge for any family involved in multiple human service programs is meeting the goals of service plans designed by separate case managers from these systems, without regard to the contents of the additional service plans or the customer’s ability to meet their demands. Figure

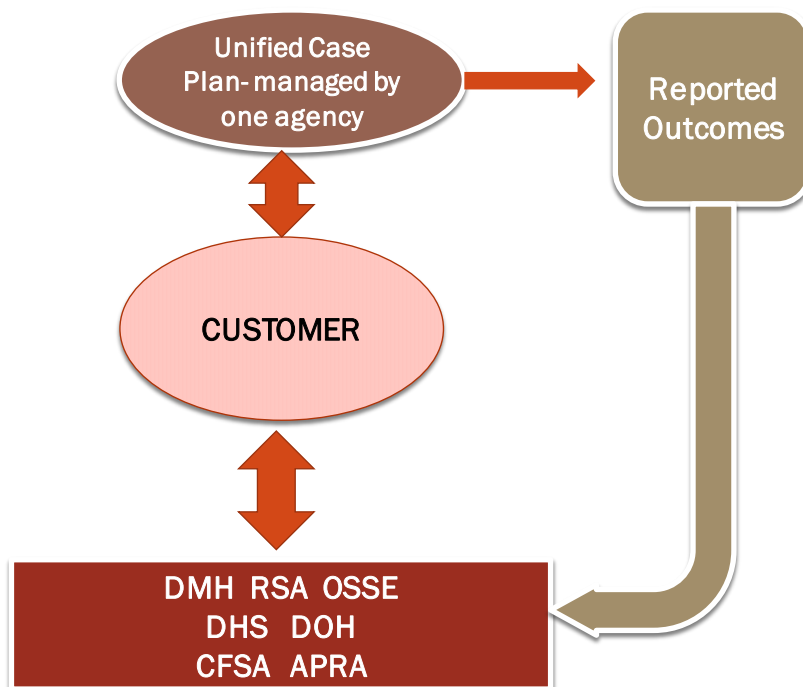
9 illustrates the current model, where programs provide services and supports to the customer through the silo of their respective program and budget.

Figure 9 - Current Case Plan Development Process



Case plans are typically designed to meet the same goals, such as stabilizing the family, obtaining self-sufficiency, and compliance with treatment, where appropriate. However, the objectives established in these plans often conflict, and Customers are placed in a position where they have to choose which plan to follow. To address this concern, Customers involved in multiple human service programs will be offered the opportunity to collaborate with and unify their case plan. Compliance with the plan will meet the Customer's TANF work participation measures. Figure 10 illustrates the ultimate objective of unified or integrated case planning.

Figure 10 - Unified Case Planning



With collaboration, wrap around services and supports, the Customer is provided the necessary tools to achieve their goals and objectives, enhance their skills, and achieve more sustainable outcomes.

DHS expects that the services provided will successfully and progressively move the majority of the District’s TANF customers to the job placement or work readiness suite of services so they eventually secure and retain meaningful employment, become self-sufficient and eliminate their need for cash assistance.

e. Program Costs, Goals, and Metrics

Continual assessment, including the development and tracking of performance measures is a critical element in the TANF program redesign. DHS will implement enhanced data capture and tracking mechanisms to enable continuous and responsive program improvement and accurate evaluation of outcome measures. To achieve these improvements, data reporting methods are being implemented as well as software updates to the Customer Assessment Tracking and Case History (CATCH) system, DHS’ web based case management system and the Automated Client Eligibility Determination System (ACEDS).

The benefits of moving TANF customers to self-sufficiency are significant in terms of both the societal impact and the savings to the District. However, federally mandated welfare-to-work programs are inherently costly to operate. Consequently, DHS developed a detailed financial model to forecast the overall cost of the program and quantify the number of customers that

could be served given the available budget. The financial model was also critical in DHS' ability to engineer and refine a performance-based compensation, for the TEP contractors, with significant financial upside if the contractors surpass specific and quantifiable outcomes.

Based on the financial model, DHS estimates that the redesigned TEP will cost the District approximately \$325 per customer per month for every customer that is served by a TEP contractor. The \$325 includes both payments to the contractor for serving the customer and payments to the customer in the form of stipends, reimbursement of discrete work-related costs and incentives. Serving 3,000 customers will cost the District \$11.7 million annually and serving 7,000 customers will cost the District \$27.3 million. These costs exclude DHS' internal cost to manage and operate the program and the costs of barrier remediation services.

Given the significant expense of the program and the investment by the District to ensure its residents can aspire to a better life beyond welfare, DHS is committed to operating an accountable welfare-to-work program that is focused on delivering results that demonstrate customers' progress towards self-sufficiency through employment. As such, DHS has defined a set of outcomes, associated metrics to measure, and monitor the effectiveness of TEP as shown below.

Table 2 - TANF Goals and Metrics

GOAL	METRIC
Increase the number of customers who access needed programs and services	Rate at which customers are referred to barrier removal service providers
Increase the number of customers who overcome education and skill barriers to become employable	Rate at which customers successfully complete education/training program(s) in their IRP
Increase the number of customers who meet work participation requirements	Work participation rate for all customers assigned to providers of employment related services
Increase the number of customers who gain employment	Job placement rate for all customers assigned to providers of employment related services
Increase the number of customers who secure high wage jobs	Higher wage rate for customers assigned to job placement service providers
Increase the number of customers who retain their jobs	Job retention rate for all customers assigned to providers of employment related services
Increase the number of customers who move off TANF	Move-off TANF rate for all customers assigned to providers of employment related services

Because their compensation is directly tied to achievement of the outcomes set out in the table above, the contractors have strong incentives to perform. In addition, the metrics will be used to monitor and evaluate each contractor's performance.

f. Implementation Plan

To implement the redesigned TANF program, DHS has developed a TEP process taxonomy and a phased implementation plan to ensure a successful execution. The taxonomy of business

processes required for the TANF redesign allows DHS to categorize service areas and administrative tasks, identify critical functions, and map and track performance. As shown in Figure 11, six primary processes have been identified along with the associated activities. The six high level processes are listed below. Adequate staffing and execution in each of these areas is highly critical to the success of the new TANF program.

1. Service Determination
2. Service Referral
3. Service Delivery
4. Performance Management
5. Vendor Management
6. Administration

Figure 11 – Taxonomy of TEP Processes

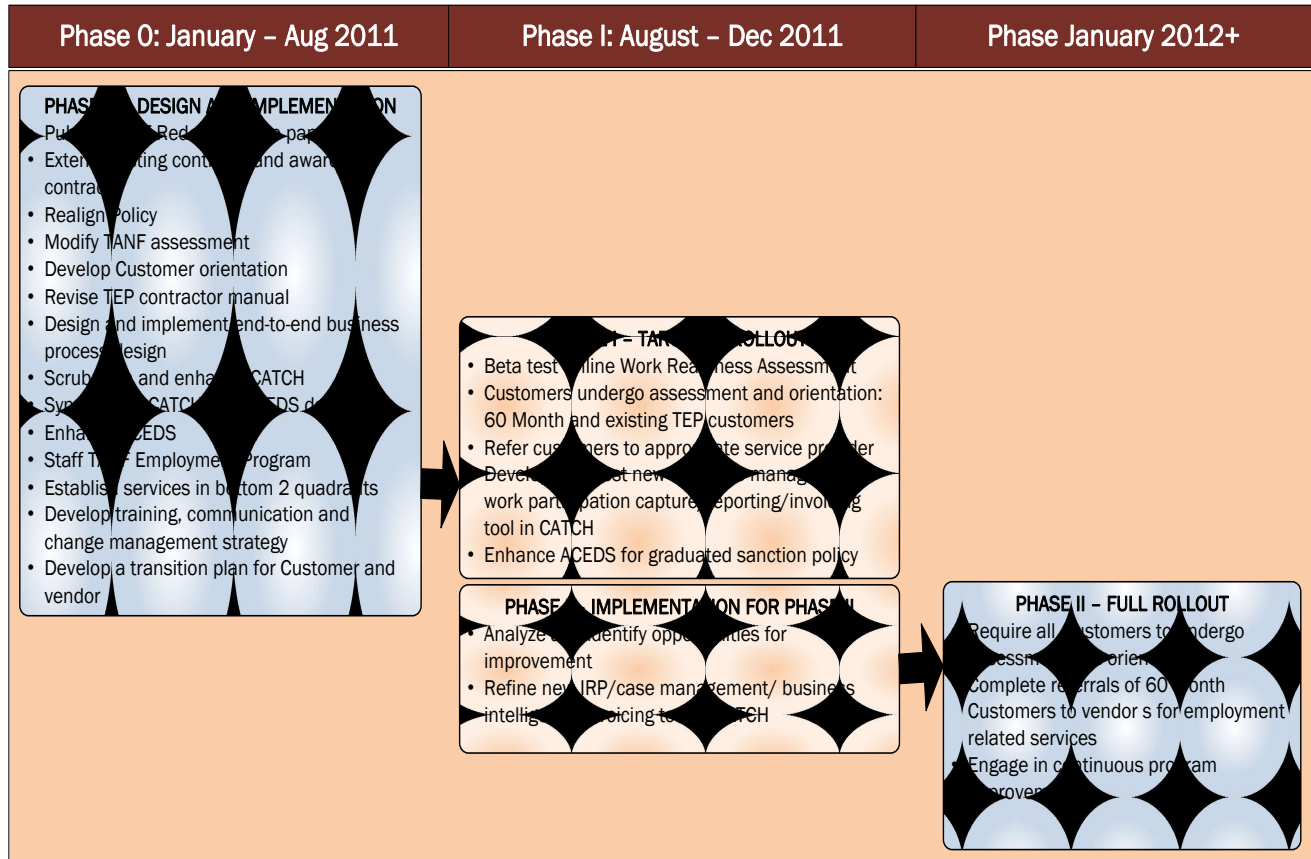
Orchestration of Activities and Management of TEP					
Service Determination	Service Referral	Service Delivery	Performance Management	Vendor Management	Administration
Conduct orientation	Manage vendor's caseload ("supply")	Coordinate cases	Develop & publish performance targets	Manage vendor relationships	Schedule appointments
Administer assessment	Manage customers yet to be assigned ("demand")	Provide case management services	Compute metrics	Manage contracts	Plan and manage O&A capacity
Confirm health, DV and substance abuse barriers	Refer customers to service providers	Provide work readiness services	Analyze program and vendor performance	Verify work participation	Process sanctions
		Provide job placement services	Report and publish actual performance	Provide training and TA to vendor	Process exemptions
		Provide barrier remediation services		Provide technology support	Enroll customer in POWER
		Assist with SSI application		Conduct audit and QA	Process removal from PIT
		Provide services to cure sanctions		Validate invoices and make payment	Issue notices and other customer communication

As shown in the Phased Implementation Plan (Figure 12), the phases include the design and initial implementation (Phase 0), a partial implementation and transition phase (Phase 1), and the full implementation (Phase II). While Phase 0 is currently underway, the implementation of subsequent phases is dependent upon completion of each phase including the completion of software upgrades and issuance and selection of award contracts, as well as addressing challenges such as adequate budget and staffing of key roles.

During Phase 0, internal preparation includes pilot programs, coordination with community service providers, and other health and human services agencies in the District, policy realignment, and facilities and infrastructure modifications. Phase I, the transition phase,

includes a targeted implementation of key elements of the model including the new orientation and assessment. Phase II incorporates all of the elements of the new program design including the data systems upgrades and the full implementation of new policies and procedures.

Figure 12 - TANF Redesign Phased Implementation Plan



V. Summary

DHS has systematically redesigned the administration, operation, and content of the TANF program to better meet the needs of struggling families in the District of Columbia. The redesign will enable TANF customers to achieve long-term stability and self-reliance. DHS is committed to continuous improvement to achieve positive outcomes that will increase the number of customers who overcome education and skill barriers to become employable, meet work-participation requirements, gain employment, secure high wage jobs, retain those jobs, and eliminate their need for public assistance.

DHS undertook a redesign process that included stakeholder engagement, extensive research of best practices to develop a person-centric community based model, and analysis of both the resources available and the population to be served. While the new TANF model is committed to meeting federal work participation requirements, DHS recognizes the need to adequately

address the unique needs, barriers, and goals of the individual TANF recipient. The redesign process culminated in the development of improved operating procedures that incorporate key elements that support a continuum of self-sufficiency for TANF customers: enhanced assessment and personalized referral, barrier removal and skills development, a TANF Universal Service Delivery Model, wraparound case management and case coordination, and a revised compensation structure for service providers.

The redesigned TANF model addresses the gaps of the current model and provides enhanced services, service coordination and reward structures. The following table summarizes the principal areas of the current TANF model that have been addressed in the TANF Redesign.

Table 3 - Summary of TANF Model Revisions

Current TANF Model	Redesigned TANF Model
The primary focus is on the federal work first mandate, i.e. help TANF customers find unsubsidized employment as quickly as possible.	Meeting Federal work-participation requirements and helping TANF customers attain employment remain key objectives. However, remediation of barriers to employment, educational enhancement, and skills acquisition and upgrade will become core tenets.
Only customers who engage with a vendor receive (1) an orientation of TANF program rules and regulations (2) an assessment of a customer’s skills, and barriers to employment, and goals. Both the orientation and the assessment are administered by the vendor.	Assessment and orientation will now be a condition of eligibility for TANF benefits for all TANF recipients and will be administered by DHS.
The breadth and depth of the orientation vary across vendors.	An in-depth and standard orientation will be administered by DHS, thus ensuring customers have a fundamental and consistent understanding of program rules and requirements.
Assessments are high-level and inconsistently administered across vendors.	Assessments will be in-depth, administered by DHS, and create a holistic customer profile (education, work experience, health, domestic violence, etc.).
The output of the assessment is not systematically linked to services that best match the customer’s needs.	The output of the assessment and client input will determine the services that are most appropriate for the customer given his/her presenting circumstances, abilities, strengths, needs and goals.
Customers are referred to vendors based solely on the capacity of the vendors, without regard to the unique needs and goals of the customer.	The referral process will incorporate the customer’s goals, unique needs, and choices to precisely match the TANF customer to the appropriate provider of employment related services.
TANF customers can only avail themselves of generic employment-related services.	Distinct and specialized services tailored to the needs of individual customers will be available through both vendors and sister agencies (Department of Mental Health, Rehabilitation Services Administration, Addiction Prevention & Recovery Administration, etc.). Customers served by multiple agencies can unify their case plan.
Customers can walk-in to any vendor of their choice and request services.	Customers who walk-in to a vendor will be referred back to DHS for a mandatory orientation and assessment. Assignment of customer to TEP Contractor will be made by

	DHS and assignment will incorporate customer's goals, unique needs and choices.
The current sanction policy is limited to reducing the customer's benefit by removing the adult's portion of the grant.	Customers who habitually fail to comply with program requirements without good cause shall be subject to a full family sanction where the customer's grant may be terminated.
Compensation structure includes payment points (e.g. assessments, home visits) that are not tied to specific employment or work participation outcomes.	A results-driven compensation structure where all payment points are tied to specific and measurable outcomes (i.e. job placement, job retention, work participation, education completion, etc.).
There are no vendor goals and performance metrics in place.	A detailed set of goals and performance metrics will be implemented, tracked and reported.
Vendor performance monitoring focuses on verification of records to support customers' engagement in work activities and substantiation of vendor invoices.	Vendor performance monitoring will place greater emphasis on the achievement of goals and performance metrics, and quality of services being provided. DHS will continue to audit vendor records.
The program is static and only minor administrative changes are made once contracts are awarded.	DHS will implement a continuous improvement culture centered on the use of business intelligence and analytics to streamline program operations, develop enhanced policies, facilitate more efficient allocation of resources, and deliver better outcomes.

The key to effectively servicing an often hard-to-employ population is thoroughly understanding and addressing their challenges and mitigating circumstances that can lead to failure. The new TANF program model meets these needs and will significantly improve the processes, services and administration of the TANF program. It will also better address the needs of customers, enabling them to enhance their quality of life and achieve greater degrees of independence.

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