

Why GAO Did This Study

The TANF block grant requires states to engage a certain percentage of work-eligible cash assistance recipients in specified work-related activities, such as job search assistance and training. Yet, data suggest that more TANF recipients could receive assistance that would help them gain employment and reduce their dependence. GAO was asked to provide examples of what some states are doing to achieve these goals and how to expand these efforts.

This report (1) reviews some approaches that have been identified as holding promise for engaging TANF recipients in employment and increasing their earnings and examines ways in which selected states and localities have used them, and (2) identifies factors that influence their use. To first identify promising approaches, GAO reviewed summaries and syntheses of rigorous research on approaches that increase employment and earnings, and profiled 10 state and local programs that were nominated by experts familiar with welfare research and state and local efforts, and that were selected to represent a range of approaches. GAO also reviewed relevant federal laws, regulations, and agency guidance, and interviewed agency officials and experts with a range of views.

What GAO Recommends

GAO recommends that HHS should issue guidance to clarify how the career pathways approach can be used by TANF agencies and identify potential changes to address the lack of incentives in the TANF program. HHS agreed with GAO's recommendations.

View [GAO-15-31](#). For more information, contact Kay E. Brown at (202) 512-7215 or brownke@gao.gov.

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TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Action Is Needed to Better Promote Employment-Focused Approaches

What GAO Found

The 10 state and local programs GAO examined used various promising approaches to help Temporary Assistance for Needy Families (TANF) cash assistance recipients gain employment by meeting a range of participant needs. These approaches included the use of subsidized employment, employment alongside treatment for a health condition, and training for high-demand jobs. For example, for individuals in need of additional work experience, San Francisco's TANF program has provided subsidies to employers to place participants in temporary, wage-paying jobs. To help individuals with mental and physical disabilities and substance abuse problems, nonprofit contractors for New York City's TANF program have provided individualized assessment and treatment, often combined with employment. To prepare individuals with various skill levels for high-demand jobs, Minnesota and Washington have used a career pathways approach of combining occupation-specific training with basic skills education and support services. However, experts told us that some states have a misperception that this approach is not allowable under TANF rules, even though the Departments of Labor, Education, and Health and Human Services (HHS) support its use. HHS told us that states could still meet program requirements while using this approach, but the agency has not issued formal guidance clarifying this. Internal control standards for the federal government state that information should be communicated to managers in a form that enables them to carry out their responsibilities. As a result of these misperceptions, the career pathways approach may be underused by TANF agencies and TANF recipients could miss out on the potential benefits of this approach.

Expertise and dedicated funds facilitated use of these promising approaches, but the federal TANF program, itself, lacks incentives for their wider adoption. Of the 10 programs GAO examined, 9 drew on the expertise of partner organizations—including community college systems, workforce agencies, and nonprofits. The programs also benefitted from decisions by state and local policymakers to dedicate funds—including TANF funds—for the selected programs, according to officials. However, incentives for large numbers of state and local TANF agencies to adopt and test promising approaches are lacking under the structure of the TANF program for several reasons. First, many program design and funding choices are left to the states, and GAO's prior work has shown that state use of TANF funds for more costly welfare-to-work approaches can compete with other allowable uses of TANF funds. Second, TANF's main performance measure does not necessarily encourage agencies to use certain approaches that incorporate longer-term education and training or treatment services, although states are not prohibited from doing so. Third, little incentive exists for TANF agencies to evaluate their programs. HHS's authority over many aspects of TANF is limited and it has not proposed legislative changes to address these areas. Yet, because HHS oversees TANF, it is positioned to identify, suggest, and work in consultation with Congress on potential changes that would better address the lack of incentives for the use of promising approaches by states and to better meet the TANF goal of increasing employment. Without federal action, adoption and evaluation of promising approaches may continue to be limited to select states and localities, leaving TANF recipients in other locations without access to these promising approaches.