



Highlights of [GAO-05-821](#), a report to the Chairman, Subcommittee on Human Resources, Committee on Ways and Means, House of Representatives

WELFARE REFORM

HHS Should Exercise Oversight to Help Ensure TANF Work Participation Is Measured Consistently across States

Why GAO Did This Study

The debate over reauthorization of the Temporary Assistance for Needy Families (TANF) block grant has focused on work requirements and brought attention to the measure of TANF work participation. The measure is used to assess states' performance and determine whether a state is subject to penalty for not meeting TANF work requirements. The 2003 work participation rates ranged from 9 to 88 percent for the 50 states based on data they submit to the U.S. Department of Health and Human Services (HHS). To help Congress understand these rates, GAO looked at (1) how selected states are defining the categories of work activities, (2) whether selected states have implemented internal controls over the work participation data, and (3) what guidance and oversight HHS has provided states.

What GAO Recommends

GAO recommends that HHS enact regulations to provide oversight of states' definitions and more guidance on counting hours of work activities and that HHS identify cost-effective internal control practices and disseminate information on these practices to states. In commenting on our draft report, HHS said it would consider making the recommended revisions in its regulations after TANF reauthorization and is exploring options for implementing the recommendation on internal controls.

www.gao.gov/cgi-bin/getrpt?GAO-05-821.

To view the full product, including the scope and methodology, click on the link above. For more information, contact David Bellis at (415) 904-2272 or bellisd@gao.gov.

What GAO Found

Differences in how states define the 12 categories of work that count toward meeting TANF work participation requirements have resulted in some states counting activities that other states do not count and, therefore, in an inconsistent measurement of work participation across states. For example, 5 of the 10 states we reviewed considered caring for a disabled household or family member to count toward the federal work participation requirement, while 5 did not consider hours spent in this activity to be countable (see table below). We also found that some states made significant changes in their definitions of the categories of work. As a result, the work participation rates for these states cannot be compared from year to year.

Some of the states in our review have implemented internal controls to help report work participation hours in accordance with HHS guidance, while other states lack such internal controls. Some states have not issued guidance on how to verify that reported hours were actually worked, nor do they monitor data reported by their staff to help ensure that hours are reported correctly. In contrast, a few states have systematic approaches for verifying that hours reported were worked.

HHS has provided limited oversight and guidance to states on appropriately defining work activities and reporting hours of work participation. According to HHS officials, HHS has the authority to regulate states' definitions of work activities. However, to promote state flexibility, HHS chose not to issue regulations for this purpose. Further, HHS's guidance lacks specific criteria for determining the appropriate hours to report. Given that HHS has not exercised oversight of states' definitions and internal controls, states are making different decisions about what to measure. Therefore, there is no standard basis for interpreting states' rates, and the rates cannot effectively be used to assess and compare states' performance.

Number of Reviewed States that Count Certain Activities toward Meeting the Federal Work Participation Rate and the Categories of Work in Which the States Counted the Activities

Activity	Number of 10 reviewed states	
	that count the activity as federal work participation	Federal categories of work in which the reviewed states counted the activity
Caring for a disabled household or family member	5	Community Service
Substance abuse treatment	6	Job Search/Readiness, Work Experience, Community Service
Domestic violence counseling	3	Job Search/Readiness, Work Experience, Community Service
Other mental health counseling	5	Job Search/Readiness, Work Experience, Community Service
English as a second language	7	Job Skills Training, Secondary School or Education Directly Related to Employment, Community Service, Vocational Education

Source: GAO review of 10 states' TANF documents and interviews with the states' TANF officials.

Note: An additional state counts substance abuse treatment, domestic violence counseling, and other mental health counseling toward meeting the federal work participation rate in limited circumstances.