

# Request for Proposals for TANF Pilot Projects Under the Fiscal Responsibility Act of 2023

Due Date: **September 3, 2024.**

## TANF Pilot Updated Guidance and Application Submission Information

Proposals are due on September 3, 2024, and must be submitted electronically to the following e-mail address: [TANFquestions@acf.hhs.gov](mailto:TANFquestions@acf.hhs.gov).

Proposals submitted after 11:59 pm ET on the due date, September 3, 2024, will not be reviewed.

Please submit your proposal in a readable PDF format using 12-point font and double spaced. Please limit your proposal to no more than 25 pages.

The estimated time to prepare a proposal is approximately 10 hours per respondent. Proposals will be kept private (i.e., not made available to the public) to the extent permissible by law. However, information provided may be made public in order to inform future publications or dissemination efforts about the pilots.

For Further Information Contact: [TANFquestions@acf.hhs.gov](mailto:TANFquestions@acf.hhs.gov)

## Introduction

The Fiscal Responsibility Act of 2023 (FRA) authorized a new opportunity for states to pilot new program performance and accountability measures in the Temporary Assistance for Needy Families (TANF) program. Pub. L. No. 118-5, § 302. The pilot program aims to build new evidence on whether being accountable for work and well-being outcomes rather than the work participation rate (WPR) leads to stronger employment outcomes and increased family stability and well-being. Per the legislation, HHS will select up to five (5) states as pilot sites, effective federal fiscal year 2025. The pilots will be in effect for six years, with the first year being used to establish baseline data.

The FRA provides the flexibility to tailor employment, training, and other engagement activities to the needs of TANF families so that states can help ensure that eligible families have access to customized supports and services resulting in better employment and family economic well-being outcomes. The

PAPERWORK REDUCTION ACT OF 1995 (Public Law 104-13) STATEMENT OF PUBLIC BURDEN: Through this information collection, ACF is gathering information to understand states' interest in participating in the FRA TANF Pilot Program and readiness to do so. Public reporting burden for this collection of information is estimated to average 10 hours per respondent, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. This is a voluntary collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information subject to the requirements of the Paperwork Reduction Act of 1995, unless it displays a currently valid OMB control number. The OMB # is 0970-0531 and the expiration date is 9/30/2025. If you have any comments on this collection of information, please contact [TANFquestions@acf.hhs.gov](mailto:TANFquestions@acf.hhs.gov).

U.S. Department of Health and Human Services, Administration for Children and Families (ACF) will prioritize pilot designs that maximize this flexibility and re-envision employment and training opportunities to align with family goals and local labor market needs. As described in more detail below, ACF is interested in maximizing job placement, retention, and career pathways because of the importance of family economic stability through employment. Research has shown that such stability serves as a protective factor that supports broader family health and well-being.<sup>1</sup>

ACF seeks innovative approaches to improve outcomes related to employment and well-being for TANF participants and families, including maximizing new flexibilities to implement strategies around case management, employment and training activities, education, and supportive services to promote participant and family employment, stability, and well-being.

## Background and Updated Guidance

The flexibilities and requirements of pilot states are laid out in the [May 2024 Dear Colleague Letter](#). These key elements are reiterated and expanded upon below.

### Flexibilities

Section 407 of the Social Security Act (the Act) sets mandatory work participation rate requirements for states. Pilot states will not be required to adhere to the requirements of section 407 of the Act for the duration of the pilot program. Therefore, pilot states will have the flexibility to tailor engagement activities to the needs of each family without following the specific requirements of section 407, including but not limited to: defined categories of work activities, minimum hours of engagement, distinctions between core and non-core activities, and limitations on countable work activities. § 302(e)(4)

### Individual Engagement

Pilot states must have an engagement plan for each work-eligible individual receiving assistance. As specified in the FRA, a pilot state must have a sanction policy for individuals who fail to adhere to their required engagement activities without good cause. § 302(e)(5).

### Summary of Required Performance Measures

Under the FRA, pilot states must negotiate performance benchmarks for work and family outcomes for recipients of TANF assistance and assistance funded with qualified state expenditures.

The legislation requires each pilot site to be accountable for the following three employment and earnings measures:

1. *Employment and Earnings*: Employment Rate – 2<sup>nd</sup> Quarter After Exit
2. *Employment and Earnings*: Median Earnings – 2<sup>nd</sup> Quarter After Exit
3. *Employment and Earnings*: Median Earnings – 4<sup>th</sup> Quarter After Exit

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<sup>1</sup> <https://aspe.hhs.gov/sites/default/files/documents/8228e700f6e369df9382ac8e0d3976c1/primary-prevention-convening-brief.pdf>

The legislation also indicates that the U.S. Department of Health and Human Services will establish other indicators of family stability and well-being. Accordingly, the Department's Administration for Children and Families will require each pilot states to be accountable for the following three family stability and well-being measures:

4. *Family Stability and Well-Being: Whole Family Income*
5. *Family Stability and Well-Being: Pilot state must choose a state-specific family stability and well-being performance measure in the economic domain (See Figure 1 Below)*
6. *Family Stability and Well-Being: Pilot state must choose at least one state-specific family stability and well-being performance measure in one of the other four domains (See Figure 2 Below)*

In summary, each pilot state must have at least six required performance measures; four are consistent across all pilot states, and two will be proposed by the pilot state and agreed to by ACF. Pilot states can propose additional performance measures as well.

### ***Employment and Earnings***

All pilot states must provide the information necessary for the calculation of work outcome measures:

1. Employment Rate – 2<sup>nd</sup> Quarter After Exit: the percentage of work-eligible individuals who are in unsubsidized employment during the 2nd quarter after exiting the program;
2. Median Earnings – 2<sup>nd</sup> Quarter After Exit: the median level of earnings of work-eligible individuals, who are in unsubsidized employment during the second quarter after the exit; and
3. Median Earnings – 4<sup>th</sup> Quarter After Exit: the median level of earnings of work-eligible individuals, who are in unsubsidized employment during the second quarter after the exit.

To calculate these work outcome measures, pilot states will be required to submit Social Security Numbers (SSNs) of all work-eligible individuals who exit TANF in a given quarter on a quarterly basis. ACF will then match those SSNs with quarterly wage records in the National Directory of New Hires (NDNH) to obtain records from two quarters after the individual's exit through four quarters after the individual's exit.<sup>2</sup> ACF will use the matched results to compute the measures on behalf of the pilot states.

### ***Family Stability and Well-Being***

For the purposes of this pilot program, we conceptualize well-being as a multifaceted assessment of how families are faring, based on indicators in one or more of five main domains: 1) economic (e.g., job access, job quality, job security, employment skills gain, barrier remediation, benefit access, whole family income, asset building); 2) health (e.g., health insurance access, mental health access, substance use disorder services access); 3) education (e.g., access to child care, educational outcomes); 4) community (e.g., housing access, affordability and stability; child welfare involvement); and 5) social well-being (e.g., parental engagement and healthy parent relationships, social capital).

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<sup>2</sup> Any state that does not have an Unemployment Insurance program and thus is currently unable to submit quarterly wage data to the NDNH will be required to collect the necessary data, and calculate and report on the measures. In these cases, states must use universe-level data and use the methodology prescribed by ACF. The report must include the data used to calculate the rates and attach a description of the methodology and data sources.

A family's total financial resources has significant impact on their well-being, in both the present and the future, for adults and the children and across multiple domains. Resources can come from many sources, including employment, income support, tax credits, child care, supportive housing, and child support. Because of the critical and prominent nature of economic status in the lives of families and children, ACF will require each pilot state to be accountable for one family stability and well-being measure in the economic domain that will be consistent across all pilots and one pilot state-specific measure in the economic domain.

ACF will use existing administrative data and publicly available data sets to calculate the following family stability and well-being outcome measure that will be required of all pilots:

1. **Increasing Whole Family (Median Annual) Income through Work** – using existing administrative data from pilot states, ACF will calculate median annual income, inclusive of earnings from employment as well as earned tax credits, child support payments, and other income supports including Supplemental Security Income (SSI) and Supplemental Nutrition Assistance Program (SNAP) benefits for families with a work-eligible individual that are currently receiving TANF and that recently exited TANF (i.e., not receiving TANF for at least 90-days). This outcome measure is intended to consider how employment for parents participating in TANF work programs increases income for the whole family holistically. By measuring increases in whole family income, we will track data in each pilot state that establishes measurable changes to family economic well-being over time. Additionally, this measure will supplement the statutorily required earnings measures by including families currently receiving TANF work preparation and supportive services at point of measurement, as well as TANF leavers.

#### *State-Specific Outcome Measures*

ACF recognizes that state-specific family stability and well-being outcomes and performance benchmarks should be informed by the approach each state has proposed for its FRA pilot, available data sources, and what is meaningful to the families and communities it serves.

Each pilot state will be required to propose for approval and be accountable for at least two additional measures, one in the economic well-being domain and one in an additional well-being domain. For example, in the economic domain, a state may propose measures related to job quality, including retention with employer or access to employer sponsored plans such as health benefits, retirement plans and/or paid family leave. Additional measures in the economic well-being domain also could include those aligned with Workforce Innovation and Opportunity Act (WIOA) measures, such as remediation of barriers to employment, skills gain, or attainment of credentials. A state must also propose at least one measure from one of the other aforementioned well-being domains: Health, Education, Community, and Social, whether from the list below or another related measure.

Below we provide illustrative examples of possible state-specific measures. We encourage states to submit original ideas beyond these examples. We also note that the data collected for some of the possible measures would not have to only include the work-eligible individual but could be for the whole family.

**Figure 1: Illustrative Examples of Family Stability and Well-Being Measures in the Economic Domain**

Domain	Illustrative Examples Include:
Economic	<ul style="list-style-type: none"><li>• Job access/Jobs guarantee through subsidized and unsubsidized employment</li><li>• Job quality</li><li>• Job security</li><li>• Access to employer sponsored benefits such as health benefits, retirement plans, and/or paid family leave</li><li>• Earnings in excess of a set threshold</li><li>• Employment skills gain</li><li>• Barrier remediation</li><li>• Reducing family or child poverty through access to TANF assistance (the number of families receiving TANF cash assistance for every 100 families experiencing poverty)</li><li>• Asset building</li></ul>

**Figure 2: Illustrative Examples of Family Stability and Well-Being Measures in Other Domains**

Domain	Illustrative Examples Include:
Health	<ul style="list-style-type: none"><li>• Insurance access</li><li>• Access to behavioral health</li><li>• Maternal and infant health outcomes</li></ul>
Education	<ul style="list-style-type: none"><li>• Access to child care and early education</li><li>• Educational outcomes for parents and/or children</li></ul>
Community	<ul style="list-style-type: none"><li>• Housing stability and affordability</li><li>• Child welfare involvement</li></ul>
Social	<ul style="list-style-type: none"><li>• Parental engagement and healthy parental relationships</li><li>• Social capital</li></ul>

#### Pilot Selection Criteria and Process

A panel of federal representatives will review each application.

Results of the objective review will be taken into consideration by ACF in the selection of pilots; however, objective review rankings are not binding. Rankings are only one element used in the decision-making process. ACF reserves the right to evaluate proposals in the larger context of the overall applicant pool by considering a diverse representation of states. This includes but is not limited to: administrative model, geographic, economic, and caseload demographic domains.

Pilot states will receive one-on-one and peer-based technical assistance to proceed with its pilot proposal. States not selected will have access to outcomes reporting technical assistance.

## Proposal Narrative

The proposal narrative is your opportunity to demonstrate how your proposed pilot design is an innovative approach to measure and improve outcomes related to employment, earnings, retention and overall family stability and well-being for TANF participants and families. ACF will work closely with selected states to refine proposed designs. Therefore, ACF is expecting answers to the below questions that demonstrate a commitment and capacity to execute a pilot as outlined in this Request for Proposals.

Applicants should:

- Include your state name, agency contact for the pilot and that person's contact information
- Pay attention to page limits. When printed as a PDF report, your proposal must be no longer than 25 pages, double-spaced, inclusive of the narrative and all other requested information.
- Include each section header in your typed response. The sections are as follows:
  1. Theory of Change
  2. Family Stability and Well-Being Outcomes
  3. Service Population
  4. Implementation Capacity
  5. Collaboration and Partnerships
  6. FRA Pilots Federal Implementation and Outcomes Study

### 1. Theory of Change

At a high-level, the pilot assumes that implementation of alternative performance measures in lieu of the existing measure, the WPR, will support and motivate jurisdictions to test new program design and service delivery models (interventions) that are intended to lead to better employment and well-being outcomes for TANF participants. These measures are in the areas of increased earnings, increased job retention, and increased family stability and well-being.

ACF anticipates that interventions will include changes or enhancements to better support employment outcomes in one or more of the following areas:

- Service delivery: case management models, work engagement activities, and partnerships;
- Organizational structure/culture: contract structures, staff trainings, and staff assignments; and/or
- Use of TANF funds: effective use of cash assistance and concrete supports; education and training; or work supports, job placement, and retention supports linked to career pathways.

ACF is particularly interested in pilot designs that leverage the flexibility created by the removal of the requirements of section 407 of the Act to create innovative employment and training opportunities. These opportunities should be designed to improve employment, earnings, stability, and well-being outcomes and may include efforts to promote job security, including guaranteed access to jobs, living wages for jobs, and job quality.

In this section, describe the key elements of your proposed pilot design, including the main interventions and anticipated outcomes. Your narrative must describe:

- The challenge(s) or issue(s) that the pilot design is intended to address.
- Why this challenge(s) or issue(s) would be better addressed under the proposed pilot than through compliance with the work participation rate requirements of section 407 of the Act.
- How the interventions are expected to lead to increased earnings, increased job retention and increased family income.
- Which measure of family stability and well-being will the intervention(s) target in the economic domain and how the intervention(s) are expected to impact that measure.
- What additional domain(s) of family stability and well-being the intervention(s) will target and how the intervention(s) are expected to lead to improved outcomes in the selected domain(s).
- How the proposed intervention(s) is different from the state's current approach, or, if the proposed intervention(s) is/are already a part of the state's service delivery model, how this pilot design will support enhancing the model or bringing it to scale.
- Any observations, evidence, or research that supports the proposed interventions.

## 2. Family Stability and Well-Being Outcomes

As noted above, all pilots will be responsible for the statutorily required employment and earnings measures. Additionally, to standardize pilot site evaluations, ACF will require **a family stability and well-being performance measure under the economic domain that is consistent across all pilot states (Increasing Whole Family Income through Work). Pilot states will also be accountable for at least two more state-specific family stability and well-being measures** for the purposes of performance benchmarks. One of the additional measures must relate to employment and training, or other domains of economic well-being, possibly including those required under WIOA. The other additional measure must relate to one of the other four well-being domains (i.e., health, education, community, or social well-being).

States should propose family stability and well-being outcomes most relevant to their communities and populations, especially those outcomes that are specific, measurable, and relevant to state and regional contexts. ACF is interested in thoughtful plans for data collection, including identification of potential barriers and areas where technical assistance and capacity building supports may be needed.

In this section, please address the following:

- Which additional economic well-being measure(s) are you interested in addressing? Please include a proposal for at least one economic well-being measure beyond the Whole Family Income measure required of all pilot states. The proposed measure does not have to be from the illustrative list in Figure 1 above.
- Which of the other stated domain(s) (health, education, community, social) are you interested in addressing? Please include a proposal for at least one well-being measure in one of these four domains. The proposed measure does not have to be from the illustrative list in Figure 2 above.
- Identify the performance measure(s) within the domain(s) that your state would consider tracking in your pilot program.

- Indicate why the identified domain(s) is of interest to your state and explain how your proposed interventions (e.g., the proposed activities) are anticipated to affect the outcome(s) associated with this domain.
- The data sources that may be available in your state to track progress toward these outcomes.
- Barriers your state anticipates (including but not limited to data sharing concerns, data collection and interpretation capacity, etc.) and what technical assistance or other capacity building supports ACF could provide to address these barriers.
- Please note that after selection, these outcomes, the target benchmarks, and potential data sources will be refined and negotiated with ACF and in consultation with its federally funded technical assistance provider. ACF will establish and support an ongoing community of practice where pilot states can leverage peer support to inform outcomes selections, target benchmarks, and other components of the pilots.

### 3. Service Population

ACF is interested in pilot designs that align with the needs of the TANF-eligible population in the state and take into account the unique economic and other hardships that families with low incomes experience in the service area.

The performance benchmarks that pilot states must meet will be statewide. For example, when pilot states are measuring the percentage of work-eligible individuals who are in unsubsidized employment during the 2nd quarter after exit, they must look at ***all work-eligible individuals exiting TANF across the whole state***. We expect pilot states to take actions to meet or exceed their statewide performance measure targets.

However, states may propose pilot designs that enhance service delivery or organizational changes in certain regions or sub-populations. If a state proposes such a design, the state will be required to disaggregate performance data so that ACF may build evidence to connect the service delivery changes to the performance measures.

In this section, please share any context or detail about the state's TANF population or sub-populations of interest. Please describe:

- How does the proposed intervention align with the employment, training, stability, and well-being needs of the TANF eligible population?
- Do you plan to focus certain efforts on a specific region or population? If so, please explain the implementation structure and the reasons for it.
- What are your plans for targeting and reaching the eligible population?
- What are your strategies for engaging and serving target populations?
- How does the proposed pilot design consider cultural competence in serving diverse populations?

### 4. Implementation Capacity

ACF is interested in pilot designs that are willing to leverage existing capacities while creatively overcoming implementation challenges. At the point the application is submitted, we do not expect



states to be fully ready to implement their proposed pilot designs if selected, but rather to have thought through the opportunities and challenges in doing so.

Provide a narrative description of the TANF agency's capacity to effectively use the pilot authority to develop a pilot design and implement the pilot. Your narrative should include:

- Whether and how the pilot design will affect TANF eligibility.
- Resources (financial, human, and technological) required for successful implementation.
  - If there are already plans for an adjustment in TANF funds, or additional federal, state, local, or private investments, please indicate.
- The unique opportunities and capacities of your state to successfully implement the proposed intervention(s).
- How the pilot will be administered and monitored to ensure accountability and effectiveness.
- Dependencies for launching the pilot and plans to mitigate expected and unexpected obstacles.

This may include, among others:

  - Changes to state laws, policies, procedures, or other elements of the agency's TANF program;
  - Contract or grant structures for workforce development and supportive services providers;
  - Change management strategies addressing organizational culture and staff training for state and local staff as well as contracted providers;
  - State, county, local, Tribal and/or judicial cooperation, as required.

## 5. Collaboration and Partnerships

We recognize that successful interventions include whole systems approaches that speak to and respond to the needs of the whole family. With this in mind, we are interested in pilot designs that include collaborative efforts with human services, workforce development, and education systems; community organizations; government agencies; those with lived experience; and other partners. Many states already have robust partnerships in place to enhance program reach and impact while others may be in the beginning phases of identifying partners and cultivating the necessary relationships to support a systems wide approach to supporting families. A commitment to establishing, fostering, and strengthening relationships to community partners is essential to a successful pilot design.

In this section, please address the following:

- Describe how the pilot design and implementation will be informed by individuals with lived experience receiving TANF or other public assistance benefits. Please also describe any support you may need to continue or enhance incorporating customer feedback throughout the lifecycle of the pilot. Note that ACF intends to provide technical assistance to pilot states in support of incorporating customer feedback throughout the pilot program.
- Describe how the pilot design and implementation will be informed by WIOA partners, workforce agencies, post-secondary education partners, and employers. Please also describe any support you may need to continue or enhance incorporating partner feedback throughout the life of the pilot.

- Describe any proposed partnerships or collaborations with other government agencies, non-profit organizations, or community stakeholders. Explain how these partnerships will enhance the delivery of services and support for participants.

6. FRA Pilots Federal Implementation and Outcomes Study

States selected for the FRA pilots will be required to participate in a federally funded implementation and outcomes study, which will be designed in consultation with the states after selection. The purpose of this study will be to document lessons learned from the FRA pilots and maximize learning from the pilots for all states and other interested parties. This study will be conducted by a federally funded third-party contractor and will be designed, with input from pilot states, to address research questions of interest to the pilot states and to minimize burden on the states. ACF also intends to provide robust technical assistance to support states' participation in the study. States will not receive additional federal funds to conduct an independent evaluation of their FRA pilot programs. If states do conduct their own evaluation activities, they will be expected to coordinate these activities with the federally funded study and to still participate in the federally funded study.

Please provide a brief statement confirming your state's willingness to participate in the FRA pilot's federal implementation and outcomes study. You are also welcome to note any concerns your state may have related to participating in the study.