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Improving Access to Education and Training for TANF Participants

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The Temporary Assistance for Needy Families (TANF) block grant is one of the major sources of funding for services designed to help low-income parents succeed in the workplace. The TANF law limits the degree to which states can count TANF families engaged in education and training activities toward federal work participation rate requirements—an unfortunate limitation, given the strong link between educational attainment and earnings. We recommend that Congress remove these arbitrary limits and allow vocational educational training to count for at least 24 months, along with allowing adult education and English language services to count for at least six months so that students can transition into training.

In January 2006, Congress reauthorized TANF as part of the consolidated Deficit Reduction Act of 2005 (DRA). Instead of rewarding states for their efforts to help welfare recipients achieve self-sufficiency, the new law acted as if the past decade of welfare reform had never happened. It substantially increased effective work requirements and applied them for the first time to families receiving assistance under state-only programs that are counted toward the maintenance of effort (MOE) requirement. These changes significantly reduce states' ability to individualize work activities according to the real needs of participants and employers.

In the interim final rule issued last summer to implement the TANF changes in the DRA, the Administration for Children and Families (ACF) made these flaws even worse. ACF issued narrow definitions of the countable work activities, definitions that unnecessarily restrict state flexibility to use work-related activities that have been shown to be effective in helping families enter employment and get better jobs. The regulations also put arbitrary restrictions on the types of education that can count as vocational educational training, even beyond the existing statutory 12-month limit on how long such training can count.

The result has been an immediate reduction in access to education and training for welfare recipients. Even though the statutory list of countable activities was not changed, the effect of other legislative and regulatory changes has been to dramatically limit states' ability to assign recipients to a range of educational activities that the state determined would best fit participant and employer needs. Some states defined the countable activities broadly, while others used the flexibility available as a result of the caseload reduction credit—or under separate state programs—to allow individuals to participate in other activities. The interim final rule prohibits states from counting programs leading toward a bachelor degree as vocational educational training (the only federally defined work activity in which full-time participation in education is countable). The rule also discourages programs that blend basic education or English language instruction into vocational skills training. Students participating in one such integrated program—Washington State's I-BEST program—earned five times as many college credits as traditional English as a second language (ESL) students did and were 15 times more likely to complete job training.

Some states are responding to the regulations by telling students that they may continue in their educational programs only if they can combine them with full-time work. There is clear evidence that combining school with full-time work reduces degree attainment, which has direct bearing on labor market success. Furthermore, combining school with full-time work is simply not feasible for many students, given that they are already juggling their school attendance with parenting responsibilities.

The regulations requiring all hours of participation in education and training to be supervised, for purposes of tracking actual hours of participation, are also proving to be a heavy burden for both students and educational institutions. For example, at least one state (Kentucky) has determined that online education (distance learning) cannot be counted toward the participation requirements—because they cannot verify that the recipient is the individual logging in, or that she is staying at the computer once logged in. This interpretation of the regulations has significant ramifications, as more than half (58 percent) of all Ready to Work community college students are taking classes with some online components. Nationally, about one in six college students enrolls in online courses. While we do not have national data for TANF students alone, the proportion is higher among community college students and adults who are juggling college, work, and family¹—two traits that most TANF students are likely to share.

These policies limiting access to education and training are highly counterproductive, as there is strong evidence that education leading to a credential—whether a training certificate or a post-secondary degree—is an effective pathway to higher earnings. For example, a study of TANF recipients who exited California community colleges in 1999 and 2000 found that TANF students were twice as likely to work year-round after college as they had been prior to entering the program.² Students who left with an associate degree earned, on average, five times more in their second year out of school than they had when they entered college. More generally, welfare to work programs that have succeeded in helping participants find higher paying jobs typically have made substantial use of education and training, including access to postsecondary programs.³

We recommend that Congress remove these arbitrary limits on education and training. The TANF law should be amended to count vocational educational training, including post-secondary education, toward the participation rate for at least 24 months. Arbitrary limits on education leading to baccalaureate degrees should be lifted. Adult basic education and ESL courses should be allowed to count for all hours of participation for at least six months, so that students can transition into training, and thereafter when integrated into vocational education programs. These activities should be available thereafter as non-core hours for all participants who need them, whether or not they have a high school diploma. The intent of the law should be clarified to explicitly allow distance learning hours of study to count as participation.

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¹ *Making the Grade: Online Education in the United States, 2006*, The Sloan Foundation, http://www.sloan-c.org/publications/survey/pdf/making_the_grade.pdf.

² A. Mathur with J. Reichle, C. Wiseley, and J. Strawn, *From Jobs to Careers*, The Chancellor's Office of the California Community Colleges and CLASP, May 2004.

³ K. Martinson and J. Strawn, *Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform*, CLASP, April 2003.