



November 12, 2013

Administration for Children and Families
Office of Planning, Research and Evaluation
370 L'Enfant Promenade, SW.
Washington, D.C. 20447
Attn: ACF Reports Clearance Officer

Re: Comments on Proposed Revisions to TANF Financial Data Collection (ACF-196R)

To whom it may concern:

The Center for Law and Social Policy (CLASP) is submitting these comments in support of the proposed changes to TANF Financial Data reporting including the new proposed ACF-196R form and related instructions. CLASP develops and advocates for federal, state and local policies to strengthen families and create pathways to education and work. We have extensive experience in working with the TANF expenditure data that states have reported through the current ACF-196 and believe that the proposed changes will improve the practical utility of the data for both federal and state-level stakeholders. This data is used on a regular basis by policymakers, program administrators, researchers, and advocates.

In particular, we note that by adding new reporting categories and requiring states to report expenditures in the most specific applicable category, and to provide narrative detail on expenditures reported as “other” and “authorized under prior law,” the new reporting requirements will significantly enhance our understanding of the ways that TANF and state funds claimed toward the TANF maintenance of effort (MOE) requirement are actually being used and increase accountability for use of funds.

We also support the proposed accounting method changes on how spending from past grant years should be reported. In our work with the TANF spending data, we have had to deal with adjustments to previous year’s reporting that have resulted in negative reported expenditures for a specific category, or other anomalies. The new reporting system will provide a clearer picture of the actual spending in a given year. While we recognize that there will be challenges in the transition between systems, we believe that in the long run, the new system will be more transparent and understandable. One challenge of the new system, however, will be that previous years’ reports may change. We urge ACF to develop a clear system for documenting and disseminating revisions as they are submitted, such as a single web page that lists all revisions and links to the most recent versions of all years’ data.

Comments on categories for reporting

We believe that the proposed ACF-196R does a good job of capturing the wide range of services and activities that states use TANF and MOE funds to support. In particular, given the large share of TANF funding used for child welfare related activities, we believe it is appropriate to include the multiple categories proposed in order to capture information on the range of child welfare-related assistance and non-assistance services that are being supported. This information is very valuable both for understanding the full costs of the child welfare system, and for accountability over states' use of funds. We also commend the inclusion of lines for both child care and pre-kindergarten/Head Start, and the explanation of the distinction between the two. This will improve our understanding of how funds are being used and consistency across states in reporting.

We have a few additional suggestions:

- **We recommend additional categories for education and training and workforce services that are not exclusively welfare-to-work activities.** The proposed ACF-196R does not make any changes to the data collection regarding work, education and training activities reported under Line 9. Based on our experience in using the TANF expenditure funds, it would be extremely valuable to be able to distinguish between expenditures under these categories that are explicitly welfare-to-work activities for individuals who are members of families receiving TANF cash assistance, and expenditures that support education and training for a broader population of low-income students.

In particular, we are aware that some states use TANF or MOE funds for higher education for a broader population of low or moderate-income students, sometimes reporting state post-secondary financial aid programs as MOE. These programs often serve individuals with incomes up to much higher income levels than the eligibility for cash assistance. This type of college financial aid spending from just two states – Washington State and Hawaii -- accounted for 30 percent of the national TANF and MOE spending on education and training in 2012. The merging of such expenditures with education and training activities aimed specifically at cash assistance recipients makes it impossible to understand how much states are actually spending on work activities for recipients, a central part of TANF.

We therefore recommend adding additional reporting categories for education and training programs that serve a general or broader population than welfare-to-work. We believe that this is more administratively feasible than asking states to separate out current (or recent) cash assistance recipients from non-recipients in their education and training spending. This is because the individuals served by a broader population financial aid program could *include* someone who also is a cash assistance recipient and a state should not have to separately track the recipient status of every student receiving TANF/MOE-funded financial aid. Spending in the program that serves the broader population would be reported in this new category, but education and training spending that is only available to current (or recent) cash assistance recipients would continue to be reported on Line 9b for Education and Training. Similarly, it would be helpful to break out Line 9c (other work activities) between activities

that are specifically for TANF cash assistance recipients and those that are for low-income families without regard to their participation in TANF.

- **In the interest of minimizing the burden of data collection, the detail under Work Supports (Line 10) may not be necessary.** Three subcategories are proposed under this category, including non-transportation work supports, transportation, and expenditures under the Department of Transportation Access to JOBS program. These combined categories account for only 1.5 percent of TANF and MOE spending, and CLASP has historically merged them in the analyses that we perform. While the amount of funds claimed as matching funds for DOT must be collected for statutory reasons, it is not apparent why it is essential to distinguish between transportation and other support services. Moreover, in places where caseworkers have access to flexible pools of funding for supportive services, it may be burdensome to capture this breakout.

Comments on instructions for reporting

We believe that the expanded categories will significantly reduce the share of spending reported as “Other” and “Authorized Under Prior Law.” We agree with ACF’s proposal to require more detailed narratives for spending that remains in these categories. This will enable ACF to ensure that states are not incorrectly reporting under these categories expenditures that would be more appropriately reported in other categories, as well as allow stakeholders to understand any new areas of expenditures.

In the instructions, we suggest that ACF encourage states to align their reporting on programs supported with MOE funds in the annual ACF-204 with the expenditures reported in the ACF-196R. If each entry on the ACF-204 specified the category under which these expenditures will be reported in the ACF-196R, it would be easier to understand the specific programs and activities that correspond to the expenditures reported here, as well as the numbers of individuals served by these programs. ACF should also consider incorporating this expectation into the instructions for the ACF-204 at a future date

We strongly support your stated goal to create categories for expenditure reporting and definitions that are mutually exclusive so that data will be comparable across state. In support of this goal, we have some additional recommendations regarding the instruction language.

- **The directions for each category should reflect this goal.** The instructions should include an overall statement that expenditures should be listed in the most specific category that applies. In addition, the directions for each category should reinforce this statement. Many of the line-specific instructions include useful detail about what should or should not be included in a category. We encourage you to add additional detail where it would reinforce the approach of mutual exclusivity and using the most specific category. A good example of this approach is in the proposed instructions for Line 15 on Non-Recurrent Short Term Benefits where the instructions say to use a more specific category if there is one, even if the activity meets the definition of non-recurrent short term benefits. .

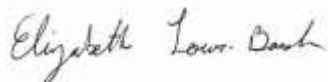
This is particularly critical for Lines 18 and 19 whose titles are similar to the third and fourth goals of TANF. Trainings and presentations of the proposed revisions have included the point that categorizing an expenditure for data reporting purposes is not the same as justifying an expenditure under the four goals of TANF; for example, some services for older children and youth might be supported under Purpose 3 (prevention of out-of wedlock pregnancies) but should be reported on Line 17 under the more specific expenditure category. However, this point is not currently highlighted in the instructions. We recommend that the point be made in more detail on a general basis in the beginning of the instructions, and repeatedly in the instructions for completing specific lines of the form. For example, the instructions under Line 18 and Line 19 should explicitly state that even if an activity is justified under purpose 3 or 4, it should not be reported under these categories unless it meets the narrow description of activities in the instructions for this line.

- **Instructions should clarify that the detailed reporting requirements extend to reporting of expenditures made by counties or other entities.** Based on our experience in using the TANF expenditure data, it is clear that some states have historically reported funds under “other” when they have provided flexible funding to a county or other state agency, even when that entity in turn uses the funds in a way that would clearly fit under a different category. This significantly impairs the completeness and accuracy of the data reporting. We recommend that HHS to include an explicit statement in the instructions that states are expected to accurately report the categories in which funds are expended, even if the decision is made at the county (or other) level.

In conclusion, we support the proposed changes to the form and the instructions along with the additional suggestions herein. We think that the financial data provided under these revisions will improve the quality of our knowledge of how TANF and MOE funds are spent and will aid policymakers, researchers, advocates and others who work with these programs.

Thank you for seeking and considering input on these proposed changes. If you have any questions on these comments, I can be reached at elowerbasch@clasp.org or 202 906-8013.

Sincerely



Elizabeth Lower-Basch
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