

# TANF Education and Training

Nebraska's Employment First



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Nebraska's Employment First (EF) program allows parents who receive TANF cash assistance to pursue education and training that improves their ability to secure employment and long-term economic success. Employment First is funded through Aid to Dependent Children (ADC), Nebraska's state TANF program. ADC benefits are available to families with a household income that is below approximately 47% of the federal poverty level.<sup>1</sup> EF's goal is to help families achieve self-sufficiency within the five-year limit of receiving cash assistance.<sup>2</sup>

Participating in Employment First is an eligibility requirement to receive ADC cash assistance benefits. A parent must negotiate and sign an Employment First contract, facilitated by a case worker, between the participating parent and the state of Nebraska. The EF contract establishes a plan for the participant to become self-sufficient before ADC benefits end. The caseworker assists the parents to meet their goals by providing information about the job market, specific careers and wages; addressing barriers to employment; and providing support in seeking child care and transportation assistance. If a parent wishes to participate in an educational program, it can be included in the EF contract. However, if an EF parent's educational goal is expected to take longer than the amount of time remaining in her ADC time limit, she must show that she will be able to secure employment with the training she has already received before benefits end.<sup>3</sup>

As discussed below, Nebraska has allowed ADC recipients to meet their work requirements through postsecondary education since TANF was created. In recent years, the state has added adult basic education, GED classes, and English as Second Language classes as state-countable activities, recognizing that many ADC recipients may not be ready to take college classes.

Although EF participants may be approved to attend any education or training program that helps them accomplish their goals, participants who are interested in college are encouraged to attend public community colleges where tuition and fees are more affordable than private schools. Additionally, EF participants are also encouraged to join the TRIO program, a service offered by some public colleges and universities that provides support services to students with significant barriers to attend and complete college. While the EF program does not pay for tuition unless there are special circumstances, participants can apply for regular college financial aid. Any financial aid received will not be counted as part of an EF participant's income.<sup>4</sup>

<sup>1</sup> *An Employment First Participant's Guide to Choosing Education as a Work Activity: A Handbook for Families, Educators, and Community Organizations*, Nebraska Appleseed, August 2013, <http://neappleseed.com/wp-content/uploads/downloads/2013/08/Choosing-Education-Handbook-August-2013.pdf>.

<sup>2</sup> *Extra Credit: A Guide to Resources for Non-traditional, Parenting, and Low-Income Learners*, Nebraska Appleseed, December 2012, <http://neappleseed.com/wp-content/uploads/downloads/2012/12/Extra-Credit-Booklet.pdf>.

<sup>3</sup> *Extra Credit*, 2012.

<sup>4</sup> *Extra Credit*, 2012.

## By The Numbers

- **Year started:** 1995<sup>6</sup>
- **Approximate number of active participants:** In 2011, 527 ADC (TANF) cash assistance recipients – from a caseload of approximately 3,962 parents -- were pursuing some form of higher education. Participation in ABE, ESL and GED programs has steadily increased from 25 adults in 2011, to 46 adults in 2012, to 93 adults in 2013.<sup>7</sup> In FY 2012, 315 participants, on average per month, were pursuing an Associate's Degree.<sup>8</sup>
- **Annual cost:** Approximately \$32 million for EF and related activities.<sup>9</sup>
- **Performance Measures:** In FY 2012, 1,438 participants were employed within six months of completing the EF program earning, on average, \$11.61 per hour. Furthermore, 68 participants graduated with an Associate's Degree. Nebraska does not collect this information broken out by type of work activity.<sup>10</sup>

## TANF Work Participation Rates

States face financial penalties unless they engage 50 percent of adults in families receiving TANF-funded assistance in a limited number of countable work activities for a specified number of hours per week. Education and training activities only count toward these hours to a certain extent. No more than 30 percent of individuals counting toward a state's work participation rate can be counted in vocational education or high school attendance (for minor parents), and no individual can be counted as participating in vocational education for more than 12 months. After those first 12 months, hours spent in education and training programs can count as job skills training or education related to employment, but only when combined with at least 20 hours of participation a week in employment or another core TANF work activity.

The Deficit Reduction Act of 2005 (DRA) for the first time imposed the work requirements on recipients of assistance funded with state-only money that is claimed toward the TANF maintenance of effort requirement, and it made other changes that effectively increased the work participation rate targets that states must meet. Additionally, the regulations implementing the DRA require that all hours of participation be verified and documented, which poses significant challenges to institutions educating TANF participants. For more information on the TANF work participation requirements and the changes made by the DRA, please see [\*Implementing the TANF Changes in the Deficit Reduction Act: "Win-Win" Solutions for Families and States.\*](#)<sup>5</sup>

As a result of these restrictions, and a general "work-first" approach, many states allow only very limited access to education and training for TANF recipients. However, some states have found ways to work within the federal requirements and provide valuable educational opportunities to parents receiving TANF. This brief is one in a series that profiles promising approaches to supporting education and training programs under TANF in spite of the limits imposed by the federal rules.

<sup>5</sup> *Implementing the TANF Changes in the Deficit Reduction Act: "Win-Win" Solutions for Families and States* can be found at <http://www.clasp.org/resources-and-publications/files/0339.pdf>.

<sup>6</sup> Employment First pilot projects were implemented in five counties in November, 1995. The program expanded statewide in January, 1998. See, "Employment First Nebraska's Welfare Reform Program," Nebraska Department of Health and Human Services, [http://dhhs.ne.gov/children\\_family\\_services/Pages/wer\\_werindex.aspx](http://dhhs.ne.gov/children_family_services/Pages/wer_werindex.aspx).

<sup>7</sup> *Choosing Education in Nebraska*, The Working Poor Families Project and Nebraska Appleseed, 2012, [http://www.workingpoorfamilies.org/pdfs/tanf\\_Choosing-Education.pdf](http://www.workingpoorfamilies.org/pdfs/tanf_Choosing-Education.pdf).

<sup>8</sup> *Nebraska Revised Statute 43-517: Report on Employment First*, Division of Children and Family Services, Nebraska Department of Health and Human Services, December 6, 2013,

[http://nebraskalegislature.gov/FloorDocs/103/PDF/Agencies/Health\\_and\\_Human\\_Services\\_Department\\_of/349\\_20131203-133247.pdf](http://nebraskalegislature.gov/FloorDocs/103/PDF/Agencies/Health_and_Human_Services_Department_of/349_20131203-133247.pdf).

<sup>9</sup> Annual costs reflect 2011 program expenditure. Goddard, James. E-mail Interview by Lavanya Mohan, November 7, 2013.

<sup>10</sup> *Nebraska Revised Statute 43-517*.

## Employment First and the TANF Work Requirements

The EF work requirement follows the federal work participation rate in requiring able-bodied adults to complete 30 hours a week of designated work activities. Twenty hours of work activities must be core work activities and the remaining ten can come from non-core work activities. Single parents with a child under six years are required to complete 20 hours a week of designated work activities, which must all be core activities. However, Nebraska allows education and training activities to meet the work requirements in excess of what is countable toward the federal work participation rate.

Nebraska has different rules than the federal government as to what is considered core and non-core countable work activities. Of the twelve federal countable work activities, the state considers all except job skills training as core state work activities. Job skills training is considered a non-core work activity and can only count towards the work requirement when combined with core activities. Within education work activities, the state considers vocational education training, postsecondary education, education related to employment and satisfactory high school attendance as state core work activities. Vocational education training and postsecondary education<sup>11</sup> can count as state core work activities for up to 36 months.<sup>12</sup>

In 2009, the state passed legislation, LB 458, which allowed EF participants to engage in vocational training, such as pursuing an Associate's degree, diploma or certificate, as a core activity for up to 36 months. Prior to this legislative change, Nebraska followed the federal rules in counting vocational education for only 12 months as a core work activity.<sup>13</sup> After the 36 months, any vocational education class including postsecondary education can still be counted, but only as non-core activity hours. The participant must then find an alternate activity that satisfies the 20 hours of core activity requirement.

Furthermore, in 2012, Nebraska passed additional legislation, LB 507, that allowed EF parents who are 24 years or younger to meet their work participation requirements through Adult Basic Education (ABE), English as a Second Language (ESL) and General Education Development (GED) programs. In 2013, LB 240 passed and lifted the age limit entirely, permitting any eligible EF participating parent to take ABE, ESL and GED classes.<sup>14</sup>

In 2007, Nebraska transitioned ADC parents participating in postsecondary education from federal TANF funds to a solely state-funded program.<sup>15</sup> This allowed the state more flexibility in providing education and training services to families, without having to pay attention to the federal work participation rates. Students in ABE, ESL and GED classes are served through the regular TANF program, but their numbers are sufficiently small that they do not put the state at risk of failure to meet the federal work participation requirements. The statute that expanded use of

<sup>11</sup> Postsecondary education is not listed as a federal countable activity; it is solely a Nebraska core activity. The state allows postsecondary education to count towards vocational education or job skills training.

<sup>12</sup> The 36 month limit is drawn from financial aid policy that allows use of subsidies for up to 150% of a borrower's length of program. The Associate's degree, which is typically 24 months in length, is the longest program TANF EF recipients can participate in. Applying the 150% to a 24 month program allows for vocational education and postsecondary work activities to count for up to 36 months. This does not mean that TANF EF recipients are limited to pursuing Associate's degree and nothing further. As discussed, a participant can pursue a Bachelor's degree as long as they can secure employment with the training already received when ADC benefits end.

<sup>13</sup> *Choosing Education in Nebraska*, The Working Poor Families Project and Nebraska Appleseed, 2012, [http://www.workingpoorfamilies.org/pdfs/tanf\\_Choosing-Education.pdf](http://www.workingpoorfamilies.org/pdfs/tanf_Choosing-Education.pdf).

<sup>14</sup> PowerPoint presentation, *Education Programs as TANF Participation in Nebraska*, Nebraska Department of Health and Human Services, 2013 and Senator John Harms, "Newsletter - March 12, 2013," Nebraska Legislature, <http://news.legislature.ne.gov/dist48/2013/03/12/newsletter-march-12-2013>.

<sup>15</sup> PowerPoint presentation, *Education Programs as TANF Participation in Nebraska*. In 2004, TANF postsecondary education transitioned into a solely state funded program for single-parent families, *Nebraska State Plan for the Temporary Assistance for Needy Families (TANF) Program*, Nebraska Department of Health and Human Services, October 1, 2007, [http://dhhs.ne.gov/children\\_family\\_services/Documents/07Plan.pdf](http://dhhs.ne.gov/children_family_services/Documents/07Plan.pdf).

educational activities gave the state the option to restrict this flexibility if it would endanger the state's work participation rate.<sup>16</sup>

## Documentation and Verification Requirements

Contract caseworkers assigned to the Employment First participant manage the documentation and verification of the participant's activity hours. While methods of verification vary depending on the work activity, primarily, student participants must provide the caseworker with documentation that includes the instructor's signature for each class as proof of attendance. Additionally, students must submit grade reports regularly.

## Crucial Innovations

**Postsecondary activities are funded through state funds.** Since Nebraska funds all postsecondary activities for EF participants through state funds that are not claimed toward the maintenance of effort (MOE) requirement, these activities are not subject to strict federal TANF work requirements. Allowing postsecondary activities to be funded solely by the state allows Nebraska to do away with strict federal restrictions, permitting EF participants to pursue longer training programs that result in better income and employment outcomes.

**Employment First allows participants to pursue postsecondary education while counting these activities as core work activities.** Nebraska promotes self-sufficiency by allowing ADC benefits recipients to pursue educational goals that count as core work activities for up to 36 months. This allows EF participants to gain crucial technical skills that can lead to securing full-time employment and significant income gains after completing the degree or training program before ADC benefits end.

**Participants of all ages are now allowed to pursue ABE, ESL, and GED.** Parents who earn a GED or improve their English language skills have a better opportunity of securing employment. Many vocational training programs require participants to enter with minimum levels of basic skills or a GED. Coupled with the opportunity of pursuing postsecondary education, participants can become self-sufficient with the skills gained through these various training programs.

## Challenges

**Education case managers don't always count ABE, ESL and GED classes as core activities.** Before 2012, case managers could not count ABE, ESL and GED programs towards a participant's core activity hours. In spite of the recent changes in law, some case managers forget to count these activities as core activities. These discrepancies cause delays or lags in accurate documentation.<sup>17</sup>

**Some participants are focused on securing employment to meet their family's basic needs over pursuing ABE, ESL and/or GED classes.** Even though these education activities are beneficial in helping EF participants develop English and high school proficiency skills, some participants are

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<sup>16</sup> Nebraska's WPR target rate, which must adhere to TANF rules requiring the engagement of at least 50 percent of TANF participants in countable work activities, is well above this 50 percent requirement. As such, the state is nowhere near at risk of being sanctioned for failure to meet the TANF work participation rate.

<sup>17</sup> Toelle, Betty. Phone Interview by Lavanya Mohan, December 9, 2013.

more interested in immediate employment, even when their low skills make it harder for them to find work that pays enough to support a family. Clients may be more likely to participate in these activities when caseworkers actively promote them as an option and highlight the linkage between basic skills and subsequent earnings.<sup>18</sup>

**There are not enough programs across the state to handle GED participant capacity.** EF participants can face a difficult time getting GED training and testing because there are not enough GED programs across Nebraska, and few high schools provide GED programs. In recent years, community colleges have increased capacity to offer GED programs. In rural areas, community colleges tend to offer offsite GED classes on satellite campuses which can be a long commute for participants. Even urban areas such as Omaha (Nebraska's largest metropolitan area) did not have enough GED programs to accommodate EF participants. The city only recently built capacity through community colleges to increase the number of classes. Increasing capacity to offer GED classes continues to be an ongoing challenge, which has been further complicated by the revision of the GED test as of January 1, 2014.<sup>19</sup>

## For More Information

### Visit

Nebraska Department of Health and Human Services - Employment First website:  
[http://dhhs.ne.gov/children\\_family\\_services/Pages/wer\\_werindex.aspx](http://dhhs.ne.gov/children_family_services/Pages/wer_werindex.aspx)

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<sup>18</sup> Toelle, Betty, 2013.

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