



**Integrating TANF and WIA Into a Single Workforce System:
An Analysis of Legal Issues**

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PREFACE

This paper was written as part of a collaborative effort between the National Governors Association Center for Best Practices, the Center for Law and Social Policy (CLASP), and the Hudson Institute. Funded by the Annie E. Casey Foundation, the purpose of the “Increasing State and Local Capacity for Cross-Systems Innovation” project is to gain a clearer understanding of the flexibility, opportunities and barriers that exist under current federal law with respect to cross-program integration both within human services programs and across the welfare and workforce systems. Working in consultation with state and local officials, the partner organizations developed three models of cross-system integration focusing on WIA-TANF integration; comprehensive services for children and families; and benefits simplification. The components of these models were then analyzed to determine whether current federal laws or regulations permitted, prohibited or hindered the implementation of the models. This paper identifies and analyzes legal issues faced in efforts to integrate TANF and WIA funding into a single workforce system. The analysis and conclusions contained in this paper are those of the authors and do not necessarily reflect the views of all the partner organizations.

The other papers produced under this project to date are:

- *Providing Comprehensive, Integrated Social Services to Vulnerable Children and Families: Are There Legal Barriers at the Federal Level to Moving Forward?* by Rutledge Hutson (CLASP)
- *Aligning Policies and Procedures in Benefit Programs: An Overview of the Opportunities and Challenges Under Current Federal Laws and Regulations* by Sharon Parrott and Stacy Dean of the Center for Budget and Policy Priorities (CBPP).

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I. INTRODUCTION

A number of states and localities want to promote improved coordination or integration of workforce development efforts under the Temporary Assistance for Needy Families (TANF) block grant and the Workforce Investment Act (WIA). This paper identifies and analyzes legal issues faced in efforts to integrate TANF and WIA funding into a single workforce system.

The goals of TANF and WIA are overlapping but not identical. TANF provides a funding stream that can be used for a broad range of services and benefits intended to further the purposes of the law. A major focus of state and local TANF activity involves efforts to link low-income unemployed parents with work, and to provide benefits and supports to low-income working families. WIA seeks to integrate a range of employment and training programs into a single one-stop delivery system, with all unemployed and employed workers potentially eligible for a range of services, and with a strong focus on responsiveness to the needs of the business community. Many, though not all, of the legal differences governing use of TANF and WIA funds flow from the fact that the two programs have somewhat different purposes.

TANF involves substantially more federal funding than does WIA. TANF is funded at approximately \$17 billion per year, while WIA's funding for adults, dislocated workers, and youth is funded at approximately \$3 billion per year. Both TANF and WIA, however, have had essentially flat funding in recent years, and neither appears likely to receive a significant increase in federal funding in the foreseeable future.

At present, states take a wide range of approaches in how they structure the relationship between TANF and WIA. At one end of the spectrum, the programs may be administered by entirely separate state and local agencies, with only limited coordination or communication and cross-referrals. At the other end of the spectrum, a group of states have placed TANF and WIA under the jurisdiction of a single state agency, and have sought to fully incorporate TANF benefits and services into the operation of the WIA one-stop system. Most states are not at either end of the spectrum, but have sought to ensure that TANF agencies are represented within WIA one-stops, and have committed at least some TANF funds to services in the one-stop system.

Just as states have not taken a single approach to coordination or integration, there is probably not a single model that all states would wish to implement. States may wish to pursue very substantial integration or may wish to maintain separate and distinct structures, for policy or administrative reasons.

The purpose of this analysis is to identify and analyze legal issues presented by efforts to bring together TANF and WIA into an integrated workforce development system in which services would be organized by function rather than by federal program/funding stream. In such a system, service delivery would be arranged according to worker needs rather than by rules governing eligibility under particular federal funding streams. Program operators would have flexibility to structure service strategies determined based on individualized assessments rather than dictated by federal rules that specify particular approaches for particular categories of claimants.

Any effort to implement a functional approach to integration must consider a set of issues:

- eligibility rules;
- rules relating to range and sequence of services;
- use of funds for supportive services;
- income support;
- performance measurement;
- reporting requirements; and
- administrative structures and decision-making.

In each area, it is possible that:

- program rules are not different;
- rules are different, but it is possible to harmonize by adopting one set of rules that work for both funding streams;
- rules are different, but it is possible to operate a single program by using one set of rules for one group of participants and another set for another group of participants;
- rules are different, but it is possible to harmonize the rules by attaining a waiver; or
- there is a conflict between the rules that cannot readily be resolved.

In this memo, we begin by outlining what a functionally integrated approach might look like. We then consider each of the above issues, summarize the applicable law governing TANF and WIA, and discuss the issues presented by integration efforts. A concluding section summarizes the findings from the individual sections and offers a set of recommendations.

II. A FUNCTIONAL MODEL OF INTEGRATED WORKFORCE DEVELOPMENT

The goal of a functional model of workforce development would be to shape and deliver service strategies based on the needs and circumstances of workers rather than based on the eligibility rules and restrictions that govern federal funding streams.

Under the functional model, a set of services—job search, placement and readiness, occupational training, labor market information, supportive and other appropriate services—could be made available to any unemployed worker through the same delivery system at the local level, rather than through different programs depending on age, income, and parenting status. Similarly, job retention and advancement activities and supportive services would be made available to all incumbent workers through a single delivery system. States and localities would have extensive flexibility to budget for and allocate services according to priorities established at the state and local levels. Eligibility for programs would be based on the employment-related needs of the worker, rather than on other factors such as income, assets, age or parenting status. There would be a single point of entry for the integrated system, with a single intake worker able to determine eligibility for the functionally based programs. States and localities would have flexibility to place more or less emphasis on the delivery of particular services, depending on state or locally determined priorities.

This is, of course, not the only possible model for an integrated system. However, in analyzing the legal issues that would arise in efforts to implement such a system, it is possible to identify a set of issues that are common to a range of approaches to integration.

In describing such a model, we do not intend to imply that there would be sufficient resources to serve all eligible individuals simply because TANF and WIA were better integrated. To the contrary, the existing levels of funding are insufficient to serve more than a small fraction of potentially eligible unemployed and employed workers, and it is at best unclear whether or the extent to which integration would increase the resources potentially available for program services. Thus, our description here is of a model in which program operators would have the legal capacity to develop individualized service strategies, but is not intended to suggest that they would have the fiscal resources to provide such services without additional funding.

III. TANF AND WIA: AN OVERVIEW

This section offers a brief overview of TANF and WIA and then discusses waiver authority under each funding stream.

A. Temporary Assistance for Needy Families

Every state qualifies each year for a block grant of funds under the Temporary Assistance for Needy Families (TANF) structure. States have broad discretion in use of TANF funds. Unless otherwise prohibited, a state can spend TANF funds in a way reasonably calculated to accomplish the law's purposes: providing assistance to needy families with children; reducing dependence on government benefits through promoting job preparation, work, and marriage; preventing and reducing out of wedlock pregnancies; and encouraging the formation and maintenance of two-parent families.¹ In order to avoid a penalty, a state must satisfy a "maintenance of effort" requirement each year, requiring the state to spend at least a specified amount of non-federal funds for "needy" (low-income) families in a manner that furthers one or more of the TANF purposes.²

The federal TANF law and regulations draw a distinction between families that do and do not receive TANF "assistance." Generally, a benefit is considered TANF assistance if it is a cash or non-cash benefit designed to meet an ongoing basic need, or if it is a supportive service such as child care or transportation provided to a nonemployed family.³ The law bars states from using federal TANF funds to provide assistance to a family that has received federally funded TANF assistance for sixty months, subject to limited exceptions.

¹ 42 U.S.C. §601.

² 42 U.S.C. §609(a)(7).

³ 45 C.F.R. §260.31. There are a set of exclusions from the definition of assistance, including:

- nonrecurrent short-term benefits designed to deal with a specific crisis situation or episode of need, not intended to meet recurrent or ongoing needs, and not extending beyond four months;
- support services such as child care and transportation provided to families who are employed;
- Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support.

Families with adults receiving “TANF assistance” must meet program work requirements. States risk federal penalties unless they meet a specified participation rate each year for engagement in work-related activities by families with adults receiving TANF assistance. The work participation rate rules specify details about the activities that count as participation and the number of required hours an individual must participate in order to count. The participation rate that the state must meet is adjusted downward based on a caseload reduction credit, based on the number of percentage points by which the state’s caseload fell since 1995 for reasons other than changes in eligibility rules.

Current law makes available two bonuses to states. First, up to \$100 million is available annually for up to five states demonstrating the largest reductions in the share of births that are non-marital births while also showing a decline in the number of abortions in the state. Second, \$200 million is available annually for high performance bonuses to states with the highest measures on a series of indicators. Initially, the high performance bonus was provided for state rankings relating to employment entries, employment retention, and earnings growth. In FY 2002, bonuses were also provided for measures relating to Medicaid/SCHIP, food stamps, child care, and the share of children in married two-parent families.

Federal law specifies a set of detailed reporting requirements relating to individuals and families receiving TANF assistance. These reporting requirements do not apply to individuals and families receiving TANF-funded benefits or services that are not within the definition of assistance.

B. Workforce Investment Act

The Workforce Investment Act (WIA) of 1998 provides both a funding stream for employment and training services for eligible adults, dislocated workers, and youth and a framework for state and local workforce development systems. Under WIA, each state was required to create a “one-stop” delivery system in which many local entities operating key federally-funded programs must participate, and in which individuals could more easily access programs and services regardless of funding source or administering agency.⁴ TANF was *not* mandated to participate in the one-stop system, though states can elect to require TANF’s participation.⁵ WIA annual funding totaled \$3.4 billion in FY 2003, and the amount allocated for adult services—\$900 million, has declined slightly over the last decade.

One-stop systems must provide universal access to “core services,” under which any individual, regardless of income or employment status, should have access to employment-related services,

⁴ Programs that are required to coordinate services through the one-stop system include: WIA adult, dislocated worker, and youth; Wagner-Peyser; Adult Education and Literacy programs; Rehabilitation Act programs; Welfare-to-Work; Older Americans Act programs; Perkins post-secondary vocational education activities; Trade Adjustment Assistance (TAA) and NAFTA-TAA programs; Veterans Employment and Training; Community Services Block Grant employment and training activities, Housing and Urban Development training activities; and unemployment compensation programs. WIA Sec. 121(b), 29 U.S.C. §2841(b).

⁵ According to Department of Labor statistics, TANF is a mandatory partner in 25 states. See Table of State WIA-TANF Relationships Survey Results. Retrieved May 30, 2003, from <http://www.doleta.gov/usworkforce/reauthorization/survey-table.htm>

including information about job vacancies, career options, employment trends, and job search.⁶ In addition, under a “sequential eligibility system,” local one-stop systems are expected to provide “intensive” and “training” services, with a priority system if needed due to limited resources.⁷

Among WIA’s other key features:

- states are required to report on accountability measures that focus on employment outcomes, including measures of employment entry, earnings growth, and job retention;
- states are subject to fiscal penalties for failure to meet statewide performance goals and may qualify for incentive bonuses for high performance;
- training providers are required to meet performance-based eligibility criteria; and
- when providing access to training, local boards are generally required to provide eligible individuals with “individual training accounts” for use with eligible providers, using performance and cost information for eligible providers.

C. Waiver Authority Under TANF and WIA

Waiver authority under TANF is very limited. Under Section 1115 of the Social Security Act, 42 U.S.C. §1315, the Secretary of HHS is authorized to grant waivers of Sec. 402 of the Social Security Act (42 U.S.C. §602) for any experimental, pilot, or demonstration project which, in the judgment of the Secretary, is likely to assist in promoting the objectives of the law. This provision is unchanged from the waiver authority that had existed under the former Aid for Families with Dependent Children (AFDC) program. However, under AFDC, Section 402 concerned the provisions of AFDC state plans, and much of the content of federal law for which states sought to attain waivers was contained in Section 402. In contrast, under TANF, Section 402 concerns TANF state plan provisions, but very few of the key TANF statutory requirements are contained in Section 402. For example, TANF work participation requirements are contained in Section 407; TANF time limits and other prohibitions are contained in Section 408; allowable uses of TANF funds are specified in Section 404. Thus, waiver authority exists, but it is so narrow as to likely be irrelevant to any state efforts to harmonize TANF and WIA requirements.⁸

WIA authority is considerably broader. Under Sec. 189 of WIA (29 U.S.C. §2939), the Secretary may, in response to a request by the governor (in consultation with appropriate local

⁶ WIA Sec. 134(d)(2), 29 U.S.C. §2864(d)(2).

⁷ WIA Sec. 134(d)(3),(4). 29 U.S.C. §2864(d)(3),(4). *Intensive services* may include: comprehensive assessments, individual employment plans, career counseling, short-term prevocational services (soft skills), and case management for individuals seeking training services. *Training services* may include: occupational skills training, on-the-job (OJT) training, skill upgrading and retraining, job readiness, and customized training tied to a hiring commitment.

⁸ Under Sec. 415 (42 U.S.C. §615), states that had preexisting waivers under the former AFDC program are authorized to continue their waivers until their expiration, but Sec. 415 does not provide authority for new or additional waivers.

According to staff of the Administration for Children and Families (ACF), no states have submitted formal requests for demonstration waiver projects under TANF. In response to informal inquiries from states, ACF officials have (by their own account) discouraged states from seeking waivers.

officials), waive for a state or a local area any of the statutory or regulatory requirements of subtitles B or E of Title I of WIA⁹ except for requirements relating to:

- wage and labor standards, including nondisplacement protections;
- worker rights, participation and protection of workers and participants;
- grievance procedures and judicial review;
- nondiscrimination;
- allocation of funds to local areas;
- eligibility of providers or participants;
- the establishment and functions of local areas and local boards; and
- procedures for review and approval of plans.¹⁰

In addition, DOL regulations state that the Secretary does not intend to waive any of the statutory or regulatory provisions essential to the key reform principles embodied in WIA, except in extremely unusual circumstances where the provision can be demonstrated as impeding reform.¹¹

A governor requesting a waiver must submit a plan to the Secretary that:

- identifies the statutory or regulatory requirements that are requested to be waived and the goals that the state or local area in the state, as appropriate, intends to achieve as a result of the waiver;
- describes the actions that the state or local area, as appropriate, has undertaken to remove state or local statutory or regulatory barriers;
- describes the goals of the waiver and the expected programmatic outcomes if the request is granted;
- describes the individuals impacted by the waiver; and
- describes the process used to monitor the progress in implementing such a waiver, and the process by which notice and an opportunity to comment on such request has been provided to the local board.

The Secretary is directed to grant a waiver, within 90 days of submission of the request, if and only to the extent that:

⁹ Subtitles B (WIA Secs. 106-137) and E (Secs. 181-195) of WIA essentially include all of Title I except for definitions, the Job Corps, and National Programs.

¹⁰ Sec. 189 also authorizes the Secretary to grant waivers of any of the statutory or regulatory requirements of sections 8 through 10 of the Wagner-Peyser Act except for requirements relating to the provision of services to unemployment insurance claimants and veterans, and requirements relating to universal access to basic labor exchange services without cost to jobseekers.

¹¹ 20 C.F.R. §661.410(c). DOL describes these key reform principles as:

- (1) Streamlining services and information to participants through a one-stop delivery system;
 - (2) Empowering individuals to obtain needed services and information to enhance their employment opportunities;
 - (3) Ensuring universal access to core employment-related services;
 - (4) Increasing accountability of states, localities, and training providers for performance outcomes;
 - (5) Establishing a stronger role for local boards and the private sector;
 - (6) Providing increased state and local flexibility to implement innovative and comprehensive workforce investment systems; and
 - (7) Improving youth programs through services which emphasize academic and occupational learning.
- 20 C.F.R §661.400.

- the Secretary determines that the requirements requested to be waived impede the ability of the state or local area, as appropriate, to implement the submitted plan; and
- the state has executed a memorandum of understanding with the Secretary requiring the state to meet, or ensure that the local area meets, agreed-upon outcomes and to implement other appropriate measures to ensure accountability.

The WIA statute also provides authority for a state to waive particular WIA requirements for local areas. Under Sec. 192 (29 U.S.C. §2942), the Secretary may approve a workforce flexibility plan under which the state may waive, pursuant to local area requests, any statutory or regulatory requirements applicable to local areas, except for requirements relating to the basic purposes of this title, wage and labor standards, grievance procedures and judicial review, nondiscrimination, eligibility of participants, allocation of funds to local areas, establishment and functions of local areas and local boards, review and approval of local plans, and worker rights, participation, and protection.¹² The Secretary may approve a workforce flexibility plan for up to five years.

IV. LEGAL ISSUES IN EFFORTS TO INTEGRATE TANF AND WIA

In efforts to blend TANF and WIA funding into an integrated structure, a state or locality faces multiple legal issues. This section analyzes seven key areas of such issues. In each area, the text summarizes the law under TANF and WIA, and then summarizes and discusses the resulting issues. The key areas are:

- *Eligibility rules:* Which funding stream can be used for which unemployed and employed workers?
- *Rules relating to range and sequence of services:* What rules specify or limit which employment services can be provided to eligible individuals?
- *Use of funds for supportive services:* What rules specify or limit which supportive services can be provided to eligible individuals?
- *Income support:* When can the funding stream be used to provide income support to an individual receiving employment services?
- *Performance measurement:* How is state and local performance measured under the funding stream?
- *Reporting requirements:* What reporting requirements apply to individuals receiving services under the funding stream?
- *Administrative Structures and Decision-Making:* What federal requirements affect state and local authority to determine how decisions are made about program administration?

A. Who Can Be Provided Employment Services?

Under both TANF and WIA, a state or locality has broad but not unlimited discretion in use of the funding streams to provide employment services. Between the two funding streams, it is technically possible to provide employment services to any unemployed adult and to any low-

¹² Under the work-flex section, a state may also attain authority to waive certain provisions of the Wagner-Peyser Act and the Older Americans Act.

income employed adult. It is clearly possible to provide employment services for youth in any family receiving TANF assistance, and probably possible to broadly provide employment services for youth in any other low-income family. Overall, as to eligibility, the biggest problems states are likely to face are not the inability to find a potentially allowable funding stream, but the occasional complexity of the rules and the lack of sufficient funding.

i. Who Can Be Provided Employment Services Under TANF?

TANF funds can be used for employment services for low-income parents, whether or not those parents are otherwise receiving TANF assistance. TANF funds can also be used to provide employment preparation services for youth in families receiving TANF assistance. Arguments can be made in support of using TANF funds for other low-income youth, though there is no clear federal guidance on this issue. As to adults without children, a state can use TANF funds to provide employment services for low-income non-custodial parents, but it remains unclear whether TANF funds could be used to provide employment services for other individuals without children.

States can clearly use TANF funds for employment services for low-income parents. A state may use TANF funds in any manner reasonably calculated to accomplish a TANF purpose, unless prohibited under another part of the TANF statute.¹³ TANF's second purpose is "to end the dependence of needy parents on government benefits by promoting job preparation, work and marriage."¹⁴ Thus, states may spend TANF funds for employment services for "needy parents." States have broad discretion in determining the income level at which a family is still considered "needy," and may use different definitions of need for different services. However, the state must apply an income test in determining whether a family or parent is needy.¹⁵

Since employment services to needy parents are an allowable expenditure under TANF, such expenditures are allowable whether or not the parent is employed, and whether or not the parent is otherwise receiving TANF assistance.

As to adults who are not members of families with children:

- **Non-custodial parents:** A state can clearly provide TANF-funded employment services to non-custodial parents of needy children. HHS has expressly recognized that such expenditures are allowable.
- **Other Low-income Adults:** If a state wished to provide TANF-funded employment services to other low-income adults, the two potential bases for arguing that such expenditures are allowable would be to prevent such adults from becoming needy parents, or perhaps, to encourage the formation and maintenance of two-parent families by promoting the "employability" and therefore the "marriageability" of such

¹³ 42 U.S.C. §604(a).

¹⁴ 42 USC §601(a)(2).

¹⁵ See Office of Family Assistance, Administration for Children and Families, *Helping Families Achieve Self-Sufficiency: A Guide on Funding Services for Children and Families Through the TANF Program*, <http://www.acf.dhhs.gov/programs/ofa/funds2.htm>.

individuals. There is no clear federal guidance about whether or the extent to which TANF funds could be used for such purposes.

- **Adults Without Children Who Are Not Low-Income:** If a state wished to provide TANF-funded employment services to adults without children who were not low-income, it would likely rely on the same arguments noted above—to prevent individuals from becoming low-income parents and to promote marriageability of such adults. Such an argument would go considerably beyond the traditional understanding of the use of TANF funds and would likely be a very difficult argument to make successfully.

Concerning youth, it is useful to distinguish three situations:

- **Youth in Families Receiving TANF Assistance:** A state can clearly use TANF funds to provide employment services to youth in families receiving TANF assistance, because such an expenditure could fall within the first purpose of TANF, i.e., providing assistance to needy families.
- **Low-Income Youth Not Receiving TANF Assistance:** It is less clear whether a state can use TANF funds to provide employment services to low-income youth who are not in families receiving TANF assistance. A state wishing to do so can argue that such an expenditure is authorized under TANF's second purpose, because providing employment services to needy youth is a strategy to prevent such youth from becoming needy parents. A state may also argue that such services fall within TANF's third purpose, because the provision of employment services may be a means to reduce the likelihood of such youth becoming parents out of wedlock. While there has never been definitive federal guidance on these questions, a strong case can be made that such a use is within a zone of reasonable statutory interpretation.
- **Other Youth:** A state might argue that TANF funds can be used for employment services for any youth, without regard to income, under the third purpose of TANF—to prevent out of wedlock pregnancies. This is a more difficult argument, and a state would likely be hard-pressed to contend that the provision of such services to youth who are not low income was consistent with Congressional intent in enacting TANF.

In short, TANF funds can clearly be used for low-income custodial and non-custodial parents and for youth in families receiving TANF assistance. There is a strong argument that such funds can be used for other low-income youth and considerably weaker arguments for any other group.

The same analysis used for TANF funds is equally applicable to use of maintenance of effort (MOE) funds, with one major qualification. All MOE expenditures must be made for members of needy families. Accordingly, it is clear that MOE expenditures cannot be made for adults or youth that are not members of low-income families.

Note that, a workforce system may sometimes wish to provide training or employment services for all individuals employed at a particular firm or group of firms. Under TANF, there is probably no authority to provide services to an entire group of employees without determining individual eligibility. Thus, if, for instance, a local workforce agency wished to provide English-

as-a-second-language classes for all workers at a particular firm, TANF funds could be used for participants meeting the above-noted eligibility requirements, but not for other workers. TANF funds can be broadly used for low-income families, but low-wage individuals may or may not be low-income individuals.

ii. Who Can Be Provided WIA-funded Employment Services?

Title I WIA funds are received in the form of separate allocations for adults, youth, and dislocated workers. Adults are broadly defined to include individuals age 18 and over, though if resources are limited, priority for adult intensive and training services must be for recipients of public assistance and other low-income individuals.¹⁶ The WIA statute specifically defines eligible youth¹⁷ and dislocated workers.¹⁸

Generally, each funding stream may only be used for individuals eligible under that funding stream. DOL has concluded that it lacks the authority to allow commingling of youth and adult funds because “eligibility of providers and participants” is explicitly exempted from the Secretary of Labor’s waiver authority under WIA.¹⁹ There is greater authority to move funds

¹⁶ WIA Sec. 134(d)(4)(E), 29 U.S.C. §2864(d)(4)(E). Public assistance is defined as “Federal, State, or local government cash payments for which eligibility is determined by a needs or income test.” WIA Sec. 101(37), 29 U.S.C. §2801(37). A low-income individual is defined in WIA Sec. 101(25) (29 U.S.C. §2801(25)) as an individual who—

- receives, or is a member of a family that receives, cash payments under a Federal, State, or local income-based public assistance program;
- in the six months before application, received an income, or is a member of a family that received a total family income (exclusive of unemployment compensation, child support payments, public assistance, and old-age and survivors insurance benefits) that, in relation to family size did not exceed the poverty lines or 70 percent of the lower living standard income level;
- is a member of a household that receives (or has been determined within the 6-month period prior to application for the program involved to be eligible to receive) food stamps;
- qualifies as a homeless individual under the McKinney Act;
- is a foster child on behalf of whom State or local government payments are made; or
- under DOL regulations, is an individual with a disability who is a member of a family whose income does not meet such requirements.

¹⁷ An ‘eligible youth’ is defined as –

- between 14 and 21;
- meeting a “low-income” definition; and
- having one or more of the following characteristics:
 - Deficient in basic literacy skills .
 - A school dropout.
 - Homeless, a runaway, or a foster child.
 - Pregnant or a parent.
 - An offender.
 - An individual who requires additional assistance to complete an educational program, or to secure and hold employment.

WIA Sec. 101(13); 29 U.S.C. §2801(13). At least 30% of youth funds must be spent for out-of-school youth.

¹⁸ Dislocated workers are defined at WIA Sec. 101(9), 29 U.S.C. §2801(9).

¹⁹ DOL has explained: “...WIA does not directly, or indirectly through these [waiver] provisions authorize the commingling of Title I within-State allocated funds to local workforce investment areas from separate sources for programmatic services to youth, adults and dislocated workers. Consistent with general appropriations law (31 U.S.C. §1301(a)), which requires that appropriations be applied only to the objects for which the appropriations

between adults and dislocated workers: localities may, with a governor's approval, transfer up to 30 percent of funds between adult and dislocated worker funding streams, and this provision is waivable.

Taken together, this structure means that WIA resources can potentially be used for any unemployed adult and for any youth meeting the definition of "eligible youth." For services for unemployed adults, the principal constraints are likely to be limited resources rather than statutory restrictions. For youth, one constraint is limited resources; another may arise if a state or locality wishes to serve a youth under the age of 18 who does not meet the definition of "eligible youth." Youth between the ages of 18 and 21 may be served from either funding stream (if they meet the definition of eligible youth). Otherwise, however, states and localities must ensure that youth program funds must be spent only on services for youth and that adult funds be spent for adults.

A state also faces limits in how its dislocated worker funds may be used. The definition of "dislocated worker" is established by statute, and statutory definitions are not within the Secretary's waiver authority under Sec. 189. Homemakers previously dependent on public assistance rather than the income of a family member do not meet the definition of "displaced homemaker" under WIA.²⁰ While the definition is not waivable, localities do, as noted above have limited transfer authority, subject to the governor's approval, and the limits on transfer authority are waivable.

WIA funds can be used for employed individuals. WIA distinguishes between core, intensive, and training services. Core services can be made broadly available to all workers. Intensive and training services may be provided to adults who are determined to be in need of such services in

were made unless the law otherwise provides, the funds available to local areas for services to youth, adults and dislocated workers must be accounted for separately." (Training and Employment Guidance Letter (TEGL), undated on the subject of "Guidelines for Implementing Workforce Investment System Improvements through Waivers of the Workforce Investment Act (WIA) and the Wagner-Peyser Act"), available at <http://wdsc.doleta.gov/waivers/wia-waiv-TEGL1.htm>.

According to the DOL Employment and Training Administration (ETA) "Automated Waiver System" web page and a DOL WIA waiver summary report, only four states—Indiana, Louisiana, Ohio, and Wyoming—have requested waivers of WIA eligibility criteria:

- Indiana's request to change the definition of "school dropout" for purposes of youth program eligibility, and Louisiana's request for a waiver of the 5 percent limit on the percentage of non-disadvantaged youth in WIA-funded youth programs (sec. 129(c)(5)), were rejected on the grounds that the provisions related to participant eligibility.
- Indiana's request to exclude SSDI and work-based learning wages from the definition of family income was deemed unnecessary by DOL, as there is no definition of family income under WIA. States establish their own definitions for the purpose of determining whether a youth is a low-income individual. A similar Ohio request, to carry over Job Training Partnership Act (JTPA) waivers that allowed the state to exclude "Social Security Insurance and Old Age Survivors' insurance benefits payments" and "Social Security Disability Income" from income for the purpose of eligibility determination (Ohio WIA plan, page 61), was likewise deemed unnecessary by DOL.
- Wyoming has requested a waiver of the definition of low-income individual (e.g., below the poverty line or 70 percent of the lower living standard income level) in order to make the definition conform to the state's TANF income eligibility standard. The request, if approved (it is still under review), would have the effect of expanding eligibility for the youth program.

²⁰ WIA Section 101(10), 29 U.S.C. §2801(10); 20 C.F.R. 663.120(c).

order to obtain or retain employment that allows for self-sufficiency. WIA regulations allow state or local boards to define the criteria for self-sufficiency, specifying that:

State Boards or Local Boards must set the criteria for determining whether employment leads to self-sufficiency. At a minimum, such criteria must provide that self-sufficiency means employment that pays at least the lower living standard income level, as defined in WIA section 101(24). Self-sufficiency for a dislocated worker may be defined in relation to a percentage of the layoff wage. The special needs of individuals with disabilities or other barriers to employment should be taken into account when setting criteria to determine self-sufficiency.²¹

WIA regulations distinguish between providing employment services to employed individuals based on individual eligibility determinations and providing incumbent worker training programs to a group of employees at a firm. DOL interprets the WIA statute to provide that incumbent worker training may only be provided through the funds reserved at the state level, rather than through funds allocated to local areas.²²

iii. Summary and Discussion

As the table below suggests, it is at least technically possible to provide employment services very broadly across the low-income population using TANF and WIA funds. Thus, in efforts to provide services to low-income individuals, the difficulties that a state or locality may face are not likely to result from being technically unable to serve a low-income individual in any funding stream. Rather, the difficulties may result from lack of resources overall or in a particular funding stream or from the potential complexities resulting from different eligibility requirements for different funding streams.

Eligibility for Employment Services Under TANF and WIA		
	TANF	WIA
Low-income unemployed parents (custodial and non-custodial)	Yes	Yes
Low-income employed parents (custodial and non-custodial)	Yes	Yes
Low-income adults who are not parents	Unclear	Yes
Unemployed individuals who are not low-income	Probably not	Yes
Employed individuals who are not low-income	Probably not	Only for "core" services
Youth in families receiving TANF assistance	Yes	Yes
Other low-income youth	Probably	Yes
Other youth who are not low-income	Probably not	No

²¹ 20 C.F.R. §663.230.

²² See 65 Fed. Reg. 49346 (August 11, 2000).

Note that the definitions of “low-income” differ between the two funding streams. A state has discretion to broadly define low-income under TANF, but cannot use the same definition for TANF and WIA unless the state uses WIA’s definition.

There are more limits on the ability to provide services to individuals who are not low-income. Generally, Congress did not intend that TANF funds be used for services to individuals who are not low-income, except in the context of efforts to reduce out of wedlock births and to promote two-parent families. WIA services may be provided to unemployed individuals whether or not they are low-income, but there are significant limits on the ability to provide services (other than core services) to employed individuals who are not low-income.

Finally, this discussion focuses on whether individuals may be eligible for services. As discussed, infra, which funding stream an individual receives services under has important implications when determining which employment, supportive services, and income-related benefits may be provided to an eligible individual or family.

B. What Kinds of Employment Services Can Be Provided and Under What Conditions ?

A state has broad discretion in determining which employment services are provided to TANF-eligible individuals, with one major qualification: for families receiving TANF “assistance,” the state must ensure that TANF work participation requirements are met. Therefore, the state must ensure that a sufficient number of those receiving assistance are engaging in “countable” activities” for a specified number of hours each week. In contrast, for WIA, the two principal constraints on flexibility are the requirement that eligibility for services be determined based on a “sequential eligibility” process and that WIA-funded training for adults and dislocated workers must generally be delivered through an Individual Training Account structure by an “eligible provider.”

i. Allowable Employment Services and Key Conditions Under TANF

The TANF statute does not specify which employment services may or may not be provided; rather, a state may provide any employment service reasonably calculated to accomplish a TANF purpose. The law does require that the state conduct an initial assessment of the skills, prior work experience, and employability of each recipient of TANF who is at least 18 or under 18 but has not completed high school or obtained a GED and not attending secondary school.²³ However, the assessment language is very broad and there are no specific requirements for what the state must do based on the assessment.

The principal TANF provision that may affect the choice and sequence of employment services is the TANF participation rate structure. Generally, in order to avoid risk of a federal penalty, a state must ensure that a specified percentage of families receiving TANF assistance are engaged

²³ 42 U.S.C. §608(b).

in one or more of the listed countable activities for a specified number of hours each week.²⁴ The participation rate provisions have been a highly contested aspect of TANF reauthorization, and it seems likely that the specific details of participation rates will be modified when the law is ultimately reauthorized.

The TANF participation rate provisions do not affect allowable spending of TANF funds and do not bar a state from permitting a particular individual from engaging in any particular employment-related activity that the state deems appropriate. At the same time, depending on the details of participation rate requirements, they can have an important practical effect on program administration, because a state concerned about meeting participation requirements is likely to wish to ensure that a significant number of individuals are engaged in those activities that count toward federal participation rates for the requisite number of hours.

The participation rate provisions only apply to families receiving “TANF assistance.” As explained, *supra*, at p. 4, many TANF-funded benefits and services are not considered TANF assistance. However, the participation rate requirements may pose constraints on state and local discretion for any families receiving such assistance.

In structuring employment services under TANF, there are no required distinctions based on the age of participant, with one significant qualification: generally, an unmarried parent under age 18 is ineligible for assistance unless attending high school or an alternative education or training program approved by the state.²⁵ In addition, parents under age 20 can count toward program participation rates either by satisfactory attendance at secondary school or through participating in educational activities directly related to employment for a required number of hours.

ii. Allowable Employment Services and Key Conditions Under WIA

The WIA statute includes a listing of “core,” “intensive,” and “training” services.²⁶ However, the listing is not exclusive, and DOL regulations make clear that additional intensive and training services not specifically listed can be included.²⁷ Thus, it is not clear that there are particular employment services states and localities might wish to fund that are not allowable under the current WIA statute. The two features of WIA that are most likely to present constraints affecting the delivery of services are WIA’s “sequential eligibility” structure and the requirement that, with limited exceptions, training be conducted through Individual Training Accounts.

The sequential eligibility requirements of WIA require that certain determinations must be made before providing intensive or training services to eligible adults and dislocated workers. In particular, a program may provide intensive services to adults and dislocated workers who:

²⁴ See 42 U.S.C. §607. For a summary of participation rate requirements under current law, see Greenberg and Rahmanou, TANF Participation in 2001 (Center for Law and Social Policy, May 2003), http://www.clasp.org/DMS/Documents/1048004065.37/2001_TANF_Participation.pdf, pp. 13-14.

²⁵ 42 U.S.C. §608(a)(4).

²⁶ WIA Section 134(d), 29 U.S.C. §2864(d).

²⁷ 20 C.F.R. §§663.200, 663.300.

- are unemployed and are unable to obtain employment through core services, and have been determined by a one-stop operator to need more intensive services in order to obtain employment; or
- are employed, but are determined by a one-stop operator to need such intensive services to obtain or retain employment that allows for self-sufficiency.

Training services may be provided to adults and dislocated workers who:

- have met the eligibility requirements for intensive services and are unable to obtain or retain employment through such services; and
- after an interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to need training services and to have the skills and qualifications to successfully participate in the selected program of training services.

As a practical matter, DOL regulations and guidance make clear that one-stops have broad flexibility in the sequential eligibility process. In order to provide intensive services, it is only required that such services be determined appropriate based on an initial assessment, and an individual can proceed to training after an assessment and the development of an individual employment plan.²⁸ Further, there is no requirement for any minimum amount of time in one service before proceeding to another. However, the requirement to determine that an unemployed individual is unable to obtain employment through core services before receiving intensive or training services is often viewed as a barrier to providing such services.

One key area in which allowable TANF-funded and WIA-funded activities differ concerns the requirement to use Individual Training Accounts (ITAs) in WIA. Under the WIA structure, each state is required to develop a listing of eligible training providers. If a determination is made to provide WIA-funded training, then subject to limited exceptions, the training for adults and dislocated workers must be provided in the form of an ITA—a voucher to be used at the provider of the participant’s choice, chosen from among the list of eligible providers.²⁹ A state could, of course, elect to extend the use of ITAs to TANF-funded training, but if the state doesn’t wish to do so, then a set of requirements apply to WIA-funded, but not TANF-funded training.

WIA also specifies additional detail relating to training. A set of “coordination” provisions specify that WIA funds may only be used for participants who are unable to obtain grant assistance from other sources to pay for the training.³⁰ In addition, WIA specifies a set of conditions applicable to use of WIA funds for on-the-job training (OJT) programs and customized training,³¹ expressly specifying that WIA funds may not be used to cover more than 50 percent of the wage rate for OJT programs or 50 percent of the customized training costs.

²⁸ 20 C.F.R. §663.160, 20 C.F.R. §663.240. The WIA final regulations preamble notes: “Consistent with our intent to write regulations that maximize State and local flexibility, however, we continue to support the idea that local level program operators are best positioned to determine the appropriate mix, and duration of services.”

²⁹ 20 C.F.R. §663.400 et seq.

³⁰ 20 C.F.R. §663.310; 20 C.F.R. §666.320; and WIA Section 134(d)(4)(B), 29 U.S.C. §2864(d)(4)(B).

³¹ 20 C.F.R. §663.700 et seq.

A different set of WIA provisions apply to the use of youth funding. Local areas are required to make services available to youth participants consistent with a service strategy based on individualized assessments of needs. Each youth’s service strategy must include a career goal and must provide access to services that provide preparation for postsecondary education in appropriate cases; linkages between academic and occupational learning; preparation for unsubsidized employment opportunities, in appropriate cases; and effective connections to intermediaries with strong links to the job market and to local and regional employers. WIA establishes a set of ten “program elements”—including adult mentoring, leadership development, paid and unpaid work experiences, summer jobs linked to academic and occupational learning, tutoring, occupational skills training, and follow-up services—which must be available in each local area for inclusion in a participant’s plan, as appropriate.³² In contrast with adult funding, youth funding is not available for ITAs, though youth age 18 and older could enroll in adult programs.³³

iii. Summary and Discussion

In provisions relating to delivery of employment services, there are not direct conflicts between TANF and WIA requirements. However, each program has a set of specific requirements, and states need to decide how to reconcile them: if a more specific requirement applies in one program, should that requirement be extended to the other, or limited to individuals funded with the particular program stream? For example, WIA requires use of an ITA structure for WIA-funded training, subject to limited exceptions, while TANF does not. A state could address this by using an ITA structure for both funding streams, or by only using ITAs when the training is WIA-funded training. Similarly, TANF has specific activities and hours requirements for families receiving TANF assistance. A state might respond by extending the same requirements to WIA-funded services, or limit their applicability to those receiving TANF assistance.

³² WIA Sec. 129, 29 U.S.C. §2854; 20 C.F.R. §664.410.

³³ 20 C.F.R. §664.510. At least five states have requested waivers of this regulation in order to give older (18 and up) youth access to the system of approved providers of adult training without needing to enroll these individuals in the adult program. The statutory basis of the regulation is section 123 of WIA, which mandates that the providers of several youth program services—paid and unpaid work experience, supportive, and follow-up services—be competitively selected. According to the ETA Automated Waiver System web page, the applications of Arkansas, Georgia, Kentucky, and Texas for waivers of the relevant regulatory and statutory provisions were approved, while DOL determined that Illinois did not require a waiver because its proposed change applied to statewide funds only.

The following table summarizes the key differences between TANF and WIA concerning the delivery of employment services:

Factors Affecting Delivery of Employment Services		
	TANF	WIA
Allowable services	Any reasonably calculated to accomplish a TANF purpose	Statutory framework: core, intensive, and training services
Sequence of services	Up to state discretion	Criteria for moving to intensive and training services
How training services are provided	Up to state discretion, consistent with TANF purposes	Through Individual Training Accounts, subject to limited exceptions, for adults and dislocated workers if WIA funds used; WIA funds used after other available sources
Federal participation rate requirements	Specify which activities can count as participation, number of hours of engagement needed to count	None
On-the-job training and customized training	Allowable for eligible families subject to state-determined policies	Regulations define services, limit expenditures to 50% of wages or training costs
Youth	School attendance generally required for teen parents	Specified elements for youth programming

C. Provision of Supportive Services

Under TANF, a state is generally free to decide whether to provide supportive services and which services to provide. The two principal constraints are that support services for nonemployed persons provided on an ongoing basis will be considered “assistance” subject to the various TANF assistance-related requirements; and, a state may not sanction a single parent with a child under six if the family lacks child care needed for participation. A state also has broad discretion in using WIA funds for supportive services (if funding is available), but such services must be used for WIA participants who are unable to attain them through other programs.

i. Supportive Services Under TANF

As with employment services, a state is generally free to use TANF funds to purchase any supportive services reasonably calculated to accomplish a TANF purpose. The principal exception concerns medical services: a state may not expend TANF funds for any medical

services except pre-pregnancy family planning.³⁴ When a state is considering use of TANF funds to provide supportive services, one key consideration is likely to be whether the funds would be considered “TANF assistance.”

In practice, the most common use of TANF for supportive services has been the purchase of child care. A state may use TANF funds for child care in either or both of two ways: the state may “directly spend” TANF for child care, and may transfer up to 30 percent of the state’s TANF funds to the state’s program under the Child Care and Development Block Grant (CCDBG). Applicable requirements depend on which option the state uses. Transferred funds become fully subject to CCDBG requirements rather than TANF requirements. Directly spent funds remain subject to all TANF requirements, including the TANF “assistance-related” requirements.

Under HHS regulations, child care directly funded with TANF dollars for nonemployed families is considered assistance unless the benefit can fit into the exception for nonrecurrent short-term benefits.³⁵ The same rule applies when TANF funds are used for transportation or other supportive services. If the funds are considered assistance, then the requirements applicable to receipt of assistance apply, e.g., time limits, work requirements, certain prohibitions on providing assistance, data reporting requirements, etc. While these requirements may have little practical significance if the family is already receiving other TANF assistance, they may operate as a constraint against using TANF to provide supportive services on an ongoing basis for families not otherwise receiving TANF assistance.

A state is not required to provide supportive services to families receiving TANF assistance, but will often wish to do so as a means of supporting program participation and helping the family move toward employment. The law provides that a state may not impose reduce or terminate assistance to a single parent of a child under six if the parent is not able to meet program work requirements due to the unavailability of child care.³⁶

ii. Use of WIA Funds for Supportive Services

The WIA statute includes a definition of supportive services, though the definition is not exclusive: it defines supportive services as services “such as” transportation, child care, dependent care, housing, and needs-related payments that are necessary for an individual to participate in activities under WIA.³⁷ Local boards are required to develop a policy on supportive services that ensure resource and service coordination in the local area.³⁸ The one-stop system is required to provide accurate information about the availability of supportive services in the local area and referral to such activities.

WIA funds may be used for supportive services only:

- for individuals who are:

³⁴ 42 U.S.C. §608(a)(6).

³⁵ 45 C.F.R. §260.31.

³⁶ 42 U.S.C. §607(e)(2).

³⁷ WIA Sec. 101(46), 29 U.S.C. §2801(46).

³⁸ 20 C.F.R. §663.800.

- Participating in core, intensive, or training services; and
- Unable to obtain supportive services through other programs providing such services; and
- when they are necessary to enable individuals to participate in WIA title I activities.³⁹

Local boards may establish limits on the provision of supportive services or provide the one-stop operator with authority to set such limits. Such limits could include a maximum amount of funding and maximum length of time that supportive services are available.⁴⁰

iii. Summary and Discussion

Both TANF and WIA funds may be used to provide supportive services for eligible participants. In TANF, the principal constraint on flexibility is probably the requirement that supportive services provided to the nonemployed on an ongoing basis be treated as “assistance.” In WIA, the principal constraint (apart from lack of resources) is the requirement that WIA funds only be used if funding from other sources is unavailable.

Can a local area opt to use WIA funds for supportive services in those instances in which program operators do not want the TANF assistance-related requirements to apply? As a practical matter, the limits on available funds under WIA may mean that typically a local area would only use WIA funds for supportive services when TANF funds were unavailable. However, it is not entirely clear how to read the WIA provision saying that funds must be unavailable from other programs with the TANF restrictions that may make use of TANF funds an unattractive alternative for nonemployed families not otherwise receiving TANF assistance.

Providing Supportive Services to Eligible Participants		
	TANF	WIA
Allowable Use of Funds	Yes	Yes, if unavailable from other programs
Conditions Applicable to Services	Subject to “assistance-related requirements” (e.g., time limits, work requirements, etc.) if provided on ongoing basis to nonemployed	Must be necessary for participation in WIA Title I activities

D. Income Support in Connection with Employment Services

When using TANF funds, a state has broad discretion in designing ongoing or short-term income support for participants in programs of employment services, though ongoing income support would be considered TANF “assistance” and subject to the assistance-related requirements.

³⁹ 20 C.F.R. §663.805.

⁴⁰ 20 C.F.R. §663.810.

WIA's provisions are more restrictive, allowing the provision of needs-based payments only for participants in or awaiting training, and subject to other limitations.

i. Using TANF for Income Support

A state may use TANF funds to provide cash to individuals and families in a range of ways:

- The state may, of course, provide ongoing cash assistance to needy families with children; such ongoing cash assistance will fall within TANF's definition of "assistance."
- A state may provide cash benefits to needy families for up to four months without treating such benefits as "assistance" if the benefits fall within the definition of a "nonrecurrent short-term benefit."⁴¹
- Even if a cash benefit lasts for more than four months, it will not be considered "assistance" if it is not designed to meet "ongoing basic needs." Thus, a work expense allowance, designed to offset work expenses, has been recognized as being excluded from the definition of assistance. Similarly, payments designed to meet or offset the costs of training could also be considered nonassistance if not designed to meet ongoing basic needs, as could "incentive payments" in connection with participation in training.

If a benefit is considered TANF assistance, then it may only be provided to members of a needy family. If, on the other hand, it is considered nonassistance, it could be provided to individuals who are not members of needy families so long as the benefit is reasonably calculated to meet a TANF purpose.

The above principles can be applied to consider how and when TANF could be used to provide income benefits to individuals seeking employment services in a one-stop:

- If the individual seeking employment services is a parent or other relative in a needy family, the program could provide ongoing income benefits during the period of participation; if the benefits lasted for longer than four months, they would likely need to be treated as TANF assistance.
- If the one-stop wished to provide income stipends or to needy families for short-term employment services participation (e.g., job search, short-term training) it might be possible to categorize such benefits as nonrecurrent short-term benefits and have the benefits excluded from the benefit of assistance; similarly, it might be possible to structure a program of incentive payments excluded from the definition of assistance.
- For low-income individuals not residing with children, a one-stop could use TANF funds to provide income support to non-custodial parents. If the one-stop wished to provide benefits to individuals other than non-custodial parents, such expenditures would need to be justified either as a means of reducing nonmarital births or encouraging the formation of two-parent families. While one cannot rule out the possibility of such expenditures, it is unclear whether they would be allowable.

⁴¹ 45 CFR §260.31.

ii. Using WIA Funds for Income Support

WIA funds can be used to provide income support under specific limited circumstances.

Applicable regulations define needs-related payments as ones that “provide financial assistance to participants for the purpose of enabling individuals to participate in training...”⁴² The WIA statute⁴³ and regulations distinguish between needs-related payments for adults and dislocated workers.

To provide a needs-related payment to an adult, the adult must:

- be unemployed;
- not qualify for, or have ceased qualifying for, unemployment compensation; and
- be enrolled in a program of training services under WIA.⁴⁴

The payment level for such payments must be established by the local board.⁴⁵

To provide a needs-related payment to a dislocated worker, the dislocated worker must:

- be unemployed,
- either:
 - have ceased to qualify for unemployment compensation or trade readjustment allowance under TAA or NAFTA-TAA; and be enrolled in a program of training services under WIA by the end of the 13th week after the most recent layoff that resulted in a determination of the worker's eligibility as a dislocated worker, or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will exceed 6 months; or
 - be unemployed and did not qualify for unemployment compensation or trade readjustment assistance under TAA or NAFTA-TAA.⁴⁶

Payments to dislocated workers must not exceed specified amounts:

- For participants who were eligible for unemployment compensation as a result of the qualifying dislocation, the payment may not exceed the applicable weekly level of the unemployment compensation benefit;
- For participants who did not qualify for unemployment compensation as a result of the qualifying layoff, the weekly payment may not exceed the poverty level for an equivalent period. The weekly payment level must be adjusted to reflect changes in total family income as determined by local board policies.⁴⁷

For both adults and dislocated workers, payment may be provided prior to the beginning of training, if the participant has been accepted in a training program that will begin within 30

⁴² 20 CFR §633.815.

⁴³ WIA Section 134(e)(3), 29 U.S.C. §2864(e)(3).

⁴⁴ 20 CFR §663.820.

⁴⁵ 20 CFR §633.840(a).

⁴⁶ 20 CFR §633.825.

⁴⁷ 20 CFR §663.840(b).

calendar days. The governor may authorize local areas to extend the 30-day period to address appropriate circumstances.⁴⁸

The above requirements all apply to “needs-related payments.” Regulations don’t expressly address the issue of when WIA funds might be used for cash or near-cash payments that are not needs-related payments.

iii. Summary and Discussion

While needs-related payments can be made under both TANF and WIA, each program imposes specific and different limits. Under TANF, the principal restrictions generally limit payments to needy families, and ongoing payments are likely to be considered “assistance” and thus subject to the TANF assistance-related requirements. However, TANF funds can be used for needs-based payments to employed and unemployed participants in a broad range of employment-related activities, whether or not the individual is receiving other TANF employment services.

In contrast, WIA needs-based payments can be made to any unemployed individual (whether or not in a family with children), but only for participation in training under WIA, and only if the individual is unemployed and not receiving unemployment benefits.

If a state or local area wished to provide needs-based payments to all needy participants receiving employment services, it would be possible to use TANF funds for families, and WIA funds for single individuals, but the effective constraints (apart from limited resources) would be that the TANF funds will often be considered assistance, and the WIA funds are limited to individuals in training.

Providing Income to Participants in Employment Services		
	TANF	WIA
Who may be helped?	Needy families with children; noncustodial parents of such children	Unemployed individuals not receiving unemployment benefits
When may the income be provided?	For families, whether or not participating in employment services	Individuals enrolled in training
How much may be provided?	Subject to state discretion	For adults, local board determines; payments to dislocated workers limited to amount of unemployment benefit or poverty level
Other conditions	Will be considered TANF assistance if designed to meet ongoing basic needs	None

⁴⁸ 20 CFR §663.830.

E. Performance Measurement

There are significant differences between the means of measuring performance under TANF and WIA. While TANF has both a high performance bonus and an out of wedlock bonus, the principal measure of performance under TANF is probably the participation rate structure. WIA uses a set of outcome-based performance indicators for both state and local performance; state performance can be the basis for receiving incentive funds or penalties; local performance can be the basis for receiving incentive funds or to the governor taking corrective action.

i. Performance Measurement Under TANF

The TANF structure seeks to encourage state performance through bonuses and penalties. In theory, either bonuses or penalties could be significant motivators of state behavior. In practice, the penalty structure relating to participation rates is likely to be the most significant measure of performance under TANF.

Under current law, all states may compete for two bonuses each year. First, up to \$100 million is available annually for up to five states demonstrating the largest reductions in the share of births that are non-marital births while also showing a decline in the number of abortions in the state.⁴⁹ Second, \$200 million is available annually for high performance bonus funds for states with the highest measures on a series of indicators.⁵⁰ Initially, the high performance bonus was provided for state rankings relating to employment entries, employment retention, and earnings growth; in FY 2002, an additional set of categories were added relating to Medicaid/SCHIP, food stamps, child care, and the share of children living in married two-parent families.

The TANF structure provides for penalties relating to various aspects of program administration, including potential penalties for failure to maintain required state spending levels, failure to comply with the five-year time limit on use of federal funds, failure to satisfy reporting requirements, and others.⁵¹ However, the provisions that would likely be viewed by many as the key performance indicators are the TANF participation rate requirements.

As noted previously, states risk federal penalties unless they meet a specified participation rate each year for engagement in work-related activities by families with adults receiving TANF assistance. A participation rate is calculated for all families with adults receiving assistance, and states must also meet a separately calculated rate for two-parent families. The work participation rate rules include detailed specifications of which activities count as participation and the number of required hours an individual must participate in order to count, with a limited set of activities counting toward the first 20 hours of participation (in the all-families calculation) and a broader group of activities counting toward hours in excess of 20.⁵² In FY 02, the listed participation rate was 50 percent for all-families, and 90 percent for two-parent families. However, a caseload reduction credit reduces a state's required participation rate by the number

⁴⁹ 42 USC §603(a)(2).

⁵⁰ 42 USC §603(a)(4).

⁵¹ See 42 U.S.C. §609.

⁵² 42 U.S.C. §607.

of percentage points by which the state's caseload fell since 1995 for reasons other than changes in eligibility rules. Due to the caseload reduction credit, required state rates have been significantly below listed rates, and most states faced required all-families rates at or near zero in FY 02.

ii. Performance Measurement Under WIA

In WIA, a set of federal performance indicators is used both for determining eligibility for incentive bonuses and for the potential application of penalties.⁵³ There are measures for adults,⁵⁴ dislocated workers,⁵⁵ younger youth,⁵⁶ older youth,⁵⁷ and overall measures of employer and participant customer satisfaction.⁵⁸ States negotiate expected levels of performance with the U.S. Department of Labor for all individuals registered for WIA services, except those participating exclusively in self-service or informational activities.

A state may qualify for an incentive grant if its performance for a year exceeds its negotiated levels of performance for the required core indicators for the adult, dislocated worker, and youth programs under title I of WIA and the customer satisfaction indicators for WIA title I programs, and also exceeds its adjusted levels of performance for title II Adult Education and Family Literacy programs and under the Carl D. Perkins Vocational and Technical Education Act.

⁵³ See generally 20 C.F.R. §666.100 et seq.

⁵⁴ For adults, the measures are:

- Entry into unsubsidized employment;
- Retention in unsubsidized employment six months after entry into the employment;
- Earnings received in unsubsidized employment six months after entry into the employment; and
- Attainment of a recognized credential related to achievement of educational skills or occupational skills, by participants who enter unsubsidized employment.

⁵⁵ For dislocated workers, the measures are:

- Entry into unsubsidized employment;
- Retention in unsubsidized employment six months after entry into the employment;
- Earnings received in unsubsidized employment six months after entry into the employment; and
- Attainment of a recognized credential related to achievement of educational skills (such as a secondary school diploma or its recognized equivalent), or occupational skills, by participants who enter unsubsidized employment.

⁵⁶ For younger youth (aged 14-18), the measures are:

- Attainment of basic skills goals, and, as appropriate, work readiness or occupational skills goals, up to a maximum of three goals per year;
- Attainment of secondary school diplomas and their recognized equivalents; and
- Placement and retention in postsecondary education, advanced training, military service, employment, or qualified apprenticeships.

⁵⁷ For older youth (aged 19-21), the measures are:

- Entry into unsubsidized employment;
- Retention in unsubsidized employment six months after entry into the employment;
- Earnings received in unsubsidized employment six months after entry into the employment; and
- Attainment of a recognized credential related to achievement of educational skills (such as a secondary school diploma or its recognized equivalent), or occupational skills, by participants who enter post-secondary education, advanced training, or unsubsidized employment.

⁵⁸ 20 C.F.R. §666.100.

If a state fails to meet at least 80 percent of its negotiated levels of performance, DOL must initially provide technical assistance, if requested.⁵⁹ If the state fails to meet at least 80 percent of the negotiated levels of performance for the same program in two successive years, the amount of the succeeding year's allocation for the applicable program may be reduced by up to 5 percent.

Local areas are subject to the same performance indicators as the state,⁶⁰ and to any additional indicators chosen by the governor. Each local area must negotiate its level of performance with the governor. States must use a portion of their funds available for statewide activities to provide Incentive Grants to local areas for regional cooperation to provide incentive grants for exemplary performance.⁶¹ If a local area fails to meet its negotiated levels of performance, the state must provide technical assistance. If the local area fails to meet its negotiated levels of performance for a program for two consecutive program years, the governor must take corrective actions, which may include requiring the appointment and certification of a new local board; prohibiting the use of particular service providers or one-stop partners that have been identified as achieving poor levels of performance; or requiring other appropriate measures designed to improve the performance of the local area.⁶²

Could performance-related requirements be waived? The performance measures and levels are not specifically exempted from the Secretary's waiver authority under WIA Section 189(i)(4)(A). Nonetheless, a request for a waiver of all or many of the core performance levels would almost certainly be rejected as undermining "accountability," which is one of the key WIA principles (20 C.F.R. §661.400(b)(4)): "While we may entertain waiver requests about reporting, we will not approve any such request that undermines our ability to account to the Congress for fundamental programmatic and financial outcomes or the ability to make basic comparisons in the performance among States."⁶³

iii. Summary and Discussion

The approaches to performance measurement under TANF and WIA are very different. TANF principally relies on participation rates, while WIA principally relies on a system of performance indicators with negotiated levels of outcomes and incentive payments and penalties based on state performance.

A state could, of course, provide for consistency by applying both TANF-type participation requirements to WIA-funded individuals, and WIA-type outcome measures for TANF-funded families. However, it seems doubtful that many states would find this a very satisfactory

⁵⁹ 20 C.F.R. §666.240.

⁶⁰ 20 C.F.R. §666.300.

⁶¹ 20 C.F.R. §666.400.

⁶² 20 C.F.R. §666.420.

⁶³ See *Guidelines for Implementing Workforce Investment System Improvements through Waivers of the Workforce Investment Act (WIA) and the Wagner-Peyser Act*; see also 20 C.F.R. §661.410(c).

Indiana's application for a waiver to replace the WIA core performance indicators with measures developed by the state was disapproved for these reasons, as was a waiver request from Illinois to exclude a training project for incarcerated individuals from the calculation of performance levels under WIA section 136.

response. Imposition of TANF-type participation requirements would likely be viewed as an undesired restriction of state and local flexibility. The law does not prohibit a state from collecting the same outcome data for TANF recipients as for WIA participants. However, the TANF families would still be subject to TANF participation requirements, and the outcome measures for TANF families would not be relevant to the WIA performance system unless the families were also enrolled in WIA (and therefore subject to other WIA requirements.)

TANF’s high performance bonus is more similar to WIA’s performance indicators than is TANF’s participation rate structure. However, while there are some overlapping categories (job entry, retention, earnings gains), the overlapping categories are measured differently for TANF and WIA, and there are also a set of non-overlapping categories, i.e., WIA indicators not used in the TANF bonus, and TANF bonus measures not used in WIA. Moreover, even for the overlapping categories, the TANF definitions used in the high performance bonus are different from those used in WIA. In part, the differences flow from the fact that WIA registration and exit are conceptually quite different from TANF entry and exit, but this doesn’t fully explain all of the differences in definitions.⁶⁴

Performance Measurement		
	TANF	WIA
Bonuses/Incentives	Bonus for reducing nonmarital births; bonus for high performance in meeting TANF employment goals and other goals	Incentive funding for exceeding negotiated performance measures in WIA, adult education, Perkins/vocational education
Performance Relevant to Bonuses/Incentives	reducing nonmarital births; reducing abortions; employment entry; employment retention; earnings gains; increasing share of children in married families; participation in Medicaid/SCHIP, child care, Food Stamps	<i>Adults and Dislocated Workers:</i> job entries; employment retention; earnings gains; credentials by those entering employment <i>Younger Youth:</i> basic skills; education attainment; placements in education and employment <i>Older Youth:</i> job entries; retention; earnings gains; credentials by those entering education, advanced training, employment <i>Overall:</i> customer satisfaction of employers; customer satisfaction of participants
Performance-Related Penalties	Failure to meet program participation rates	Failure to meet at least 80% of negotiated performance measures

⁶⁴ For example, WIA measures earnings gains by comparing pre-program to post-program earnings; TANF measures gains by comparing earnings in a base quarter to earnings in a second subsequent quarter.

F. Participant Data Reporting Requirements

Both TANF and WIA have extensive participant reporting requirements. There are many differences across the requirements. TANF's requirements apply to families receiving assistance. WIA's requirements apply to registrants. Some of the differences in requirements flow from differences in information needed for program administration, but for others, it is less clear whether or why they need to be so different.

i. Participant Data Reporting Under TANF

TANF has a detailed set of reporting requirements applicable to families receiving assistance. Detailed disaggregated reporting requirements apply to families, adults, and children receiving assistance, with more limited disaggregated reporting relating to case closures, and limited aggregate reporting as to numbers of families receiving assistance, case closures, and application dispositions. In addition, states wishing to compete for high performance bonuses or to receive caseload reduction credits must report a set of information relating to families receiving assistance in separate state programs.⁶⁵

The TANF data collection requirements apply only to families receiving “assistance.” Accordingly, there are no individual data reporting requirements applicable to families receiving nonassistance.

States are also required to submit annual reports. The annual reports require a set of information about state policies, including definitions of work activities, descriptions of transitional services and diversion policies, and information about how a state uses its maintenance of effort funds.⁶⁶

ii. Participant Data Reporting Under WIA

Under WIA, states are required to collect a series of demographic and performance outcome information on each individual who accesses WIA-funded services other than self-service or informational activities. At the completion of the program year, states are required to submit data on participants that exited the WIA program (termed program exiters) during the year. Individual participant data is collected and reported annually to the Department of Labor (DOL) through the WIA Standardized Record Data (WIASRD) system.⁶⁷ States are required to submit their data to DOL by January 31, after the completion of a program year (July 1-June 30). Additionally, states are required to submit annual reports to DOL that contain state and local performance information based on data drawn from the WIASRD. States must also submit certain data on a quarterly basis.⁶⁸

⁶⁵ For the specific data reporting requirements, see <http://www.acf.dhhs.gov/programs/opre/tanfrpts/index.htm>

⁶⁶ The required contents of the annual report are described in 45 CFR §265.9.

⁶⁷ See U.S. Department of Labor Employment and Training Administration TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 14-00 Change 1, <http://www.doleta.gov/usworkforce/documents/tegl/tegl-14-00-ch1.htm>.

⁶⁸ See <http://www.doleta.gov/usworkforce/documents/tegl/pdf/z14-00-ch1-f.pdf>.

iii. Summary and Discussion

A comparison of TANF and WIA reporting requirements is attached as an Appendix. A review of the appendix demonstrates that, while both TANF and WIA share an interest in employment services and employment outcomes, almost none of the collected data elements are identical, and many show very little overlap.

Some of the differences between TANF and WIA data reporting flow directly from the fact that the programs need different data in light of other operational features. For example, TANF needs the data that are used in calculating state participation rates, while WIA needs the data that are used in calculating performance measures. Moreover, information about the family unit is important for TANF, whereas the principal focus in WIA is information about the registrant. In other instances, decisions have presumably been made about the relative importance of collecting specific information; for example, WIA requires reporting of whether supportive services are provided; TANF requires reporting of the type and amount of service and of the number of months for which it has been provided. In other instances, it is not clear why similar data is collected and reported differently: for example, both programs collect information about educational level, but WIA distinguishes between a high school diploma and GED while TANF does not; TANF provides for reporting about whether an individual has an AA degree but WIA does not.

Ultimately, the fact that the programs require different data for at least some purposes would prevent having a single set of requirements applicable to both programs. However, it seems clear that the number of differences between the two could be reduced through a process of considering whether, for each element, the data collection is needed, whether there is a benefit in collecting it in both programs, and whether there is any reason why it cannot be collected in the same way in both programs.

G. Administrative Structures and Decision-Making

TANF does not require any particular administrative structure, and states are free to determine which program activities should be conducted by state government, local government, or private entities. WIA is more detailed, specifying a governance structure at the state and local levels, and specifying the role of one-stop centers as a means of service delivery.

i. Administrative Structures and Decision-Making Under TANF

Under TANF, virtually all decisions about administrative structures and decision-making within the state are left to state discretion. There is no requirement that the program be administered by a single state agency, and there are no federal specifications concerning which decisions must be made at the state level or left to localities. Jurisdictional areas for program operation—e.g., counties, social service districts, etc.—are left to the state to determine. In the provision of services, the state may determine whether part or all of service delivery is conducted by government or private entities. However, if the state does elect to make use of contracts for

service delivery, then the charitable choice provisions of law specify that the state may not deny participation in the program to a religious entity on the basis of the entity's religious character.⁶⁹

ii. Administrative Structure and Decision-Making Under WIA

The WIA statute and regulations establish a number of specific requirements concerning administration and decision-making under WIA. Federal law requires states to establish a State Workforce Investment Board and specifies the composition and functions of that board; such functions include developing a state plan, developing a statewide system of activities, designating local areas, developing allocation formulae, and developing performance measures.⁷⁰ Federal law further specifies a structure of Local Workforce Investment Boards with responsibilities for setting policies in local areas of the state system.⁷¹ Certain entities (including units of local government with populations of 500,000) were entitled to automatic designation as local areas; governors were required to accept temporary designation of certain other local areas that had been successful service delivery areas under WIA's predecessor program, and to allow such designations to continue for the duration of the state plan so long as the local area performed successfully and sustained fiscal integrity. Certain small states that operated under single service delivery areas under JTPA, were authorized to operate as single state local areas.⁷²

The local board must designate or certify one-stop operators and conduct oversight of a one-stop service delivery system.⁷³ One-stop operators may be public or private entities, but may not be the local board unless agreed to by the chief elected officer and the governor.

iii. Summary and Discussion

Under TANF, states are given broad flexibility in establishing the administrative structure and decision-making process for their TANF program. WIA, however, requires that states create Workforce Investment Boards to oversee all elements of the program and to designate local service areas within the state, each with its own local board. This difference in approach has the potential to impede coordination of the two programs as local workforce areas may have different geographical boundaries than counties or other designated units used for administering TANF.

States have taken various approaches for dealing with this potential barrier to integration. Some smaller states operate as a single workforce investment area that encompasses the whole state, therefore avoiding jurisdiction issues⁷⁴ while other, larger states have promoted integration by combining regional TANF employment and WIA oversight boards into one entity. While aligning the service areas or coordinating services among multiple areas with differing

⁶⁹ 42 U.S.C. §604a.

⁷⁰ WIA Sec. 111, 29 U.S.C. §2821 ; 20 C.F.R. §661.200 et seq.

⁷¹ WIA Sec. 117, 29 U.S.C. §2832.

⁷² WIA Sec. 116, 29 U.S.C. §2831.

⁷³ WIA Sec. 121, 29 U.S.C. §2841.

⁷⁴ Eight states currently operate as single workforce investment areas, including: Delaware, North Dakota, New Hampshire, South Dakota, Utah, Vermont, Wyoming, and the District of Columbia

boundaries is not an insurmountable task, the different prescriptions for service delivery have the potential to negatively impact efforts to integrate TANF and WIA.

Administrative Structures and Decision Making		
	TANF	WIA
Administrative Structure	States are given broad discretion in deciding how to set up the administrative structure of the program.	States are required to establish statewide Workforce Investment Boards that oversee and manage the state WIA program. In addition, the law mandates that each local area have a local Workforce Investment Board to set policies for that area of the state system.
Decision-Making	No federal specifications on which decisions are to be made at the state level or left to localities.	State Workforce Investment Boards are tasked with developing state plans, statewide systems of activities, designating local areas, allocating funds and developing performance measures. Local Workforce Boards set policies for the local areas of the system.

V. DISCUSSION

While TANF and WIA share a concern with promoting employment, there are multiple differences between the funding streams that add to the complexity of efforts to integrate the funding into a single workforce system. The key conclusions that emerge from the prior discussion are:

- **Eligibility:** While populations overlap, some individuals will only be eligible for WIA services (because they are not in families) and some may only be eligible for TANF services (because they do not meet WIA youth definitions or do not qualify for priority under WIA).
- **Services:** A broad range of employment services are fundable under TANF and WIA, but state/local discretion may be constrained under TANF because of program participation rate requirements, and may be constrained under WIA because of sequential eligibility requirements and specific rules applicable to training.
- **Supportive Services:** Both funding streams can be used for supportive services, though a state’s discretion under TANF could be constrained if the services fall within the definition of assistance, and discretion under WIA may be constrained by the need to ensure that the program is the purchaser of last resort.
- **Income Support:** States have broad discretion under TANF, constrained by whether the income support is considered “assistance.” The ability to use WIA funds for needs-based payments is considerably more limited, though not constrained by assistance-related requirements.

- **Performance Measurement:** While TANF has bonus provisions, its participation rate requirements are probably viewed as the principal federal means for measuring performance. WIA uses a system of multiple performance indicators, with incentives or penalties possible based on whether states meet negotiated levels.
- **Reporting:** The systems have very different reporting structures, reflecting, in part, differences in program requirements.
- **Administrative Structures and Decision-Making:** Decisions about roles of units of government and jurisdictional boundaries are largely left to the state under TANF. There is considerable specificity about respective roles of state and local boards and of how local areas are established under WIA.

Generally, each of the key features of the TANF structure is not waivable. Waiver authority is much broader under WIA, though participant and provider eligibility is not waivable, and it seems doubtful that performance measurement requirements would be waivable. States can also enhance their options in WIA by requesting a waiver of the limit on transfers of funds (by local areas) between the adult and dislocated worker programs, and by submitting Work-Flex (workforce flexibility) plans allowing them to waive WIA requirements applicable to local areas, though such plans do not allow for waiver of the requirements that are exempted from the Secretary's general waiver authority under section 189(i)(A)(4).

Ultimately, a state is still left with a substantial number of differences between TANF and WIA requirements. Broadly, one can view these requirements as falling into three categories, although there may be significant disagreements about how to categorize particular requirements:

- **Fundamental policy-based differences:** In some instances, there are differences between the funding streams because of features of one funding stream that Congress likely views as fundamental. For example, TANF uses participation rates, and WIA uses performance measures. This is a critical difference, but it is not an oversight. There are a set of policy reasons for which Congress wants to use participation rates in TANF and performance measures in WIA. Congress could make the funding streams more similar by establishing performance measures in TANF or some version of a participation rate in WIA. However, such a change would have significant policy and program implications. In instances in which there is a very strong policy basis for a particular approach, it is doubtful that an interest in fostering integration would be a sufficient reason for Congress to allow overriding a key underlying policy.
- **Statutory/regulatory differences that occur for a reason, but may not be fundamental:** For example, WIA specifies limits on the amounts of needs-based payments for some recipients, while TANF does not. There is certainly a legitimate policy basis for the WIA requirements, but the requirement does not seem to flow from the key reform principles embodied in WIA, and presumably could be reexamined in the context of efforts to promote consistency across programs. Similarly, TANF's assistance-related restrictions on supportive services may have an underlying policy basis, but would not seem fundamental to the TANF design in a way comparable to program participation rates. In instances in which there is a policy basis which seems

less than fundamental, Congress might be more receptive to modifying the rule in one program in the interest of reducing complexity and supporting integration.

- **Differences that are unlikely to reflect underlying policy differences and may be inadvertent:** For example, various differences in data reporting requirements may simply reflect differences in how the statutes were worded or how implementers designed their requirements. As one example, both TANF and WIA have a data element for “educational level” but the coding categories within the data element differ. In such instances, it is difficult to see any policy reason why the respective agencies should not work to harmonize their approaches, identifying legislative issues when action by Congress is needed.

It is also clear that in some instances, differences arise simply because one program has defined terms and another has not. For example, WIA has a definition of low-income, while TANF does not. WIA’s sequential eligibility structure relies on a distinction among core, intensive, and training services; TANF draws no such distinctions. In instances in which one program has a definition and the other doesn’t, it seems worth determining if a definition is needed for either or neither.

It is clearly possible to do much to collocate TANF and WIA services, and some states report significant progress in efforts to integrate their efforts. At the same time, there are numerous large and small differences between program requirements. It will be impossible to fully resolve differences as long as the underlying fundamental differences remain, but an effort by federal agencies to eliminate needless differences, and identify and resolve or present to Congress those for which policy justifications may not be strong, would surely assist state efforts to bring TANF and WIA together in a single workforce system.

Appendix

TANF and WIA Reporting Requirements: A Comparison

Table 1. Identical Reporting Elements

TANF Adult or Minor Child Head of Household	WIA Registrant
Date of Birth (32)	Date of Birth (102)
Gender (35)	Gender (103)
Race-Ethnicity (34a-f)	Race-Ethnicity (105-110)

Table 2. Similar Reporting Elements

TANF Adult or Minor Child Head of Household	WIA Registrant
Receives Disability Benefits (36a-e)	Individual With a Disability (104)
TANF codes specify 5 types of disability benefits, for receiving: (a) Federal Disability Insurance Under Social Security OASDI Program; (b) Benefits Based on Federal Disability Status Under Non-Social Security Act Programs; (c) Aid to the Permanently and Totally Disabled Under Title XIV-APDT of the Social Security Act; (d) Aid to the Aged, Blind, and Disabled Under Title XVI-AABD of the Social Security act; (e) Supplemental Security Income (SSI).	WIA codes whether individual has a disability and whether the disability results in a substantial impediment to employment.
Employment Status (47)	Employment Status at Registration (115)
TANF codes 3 categories: employed; unemployed, looking for work; and not in labor force.	WIA codes whether individual is employed or unemployed.
Marital Status (37)	Single Parent (117)
Five Codes: single, never married; married, living together; married but separated; widowed; divorced.	WIA codes whether individual is a single parent.

TANF Adult or Minor Child Head of Household	WIA Registrant
Amount of Earned Income (64); Amount of Unearned Income (65a-e); Whether family receives and amount of food stamps (15, 16)	Low Income (119)
TANF requires dollar amount of earned income, and of income from EITC, Social Security, SSI, Worker's Compensation, any other unearned income; and whether family receives and amount of food stamps.	WIA codes Yes or No depending on whether person or family member receives any cash assistance; whether receives total family income exclusive of unemployment compensation, child support payments, cash assistance, and old-age survivors benefits that put them below the poverty line or 70 percent of the lower living standard; receives or is eligible for food stamps; is homeless; or is a foster child receiving government payments. Public Assistance Recipients (120-121) WIA codes for whether individual receives TANF, and for other General Assistance, Refugee Cash Assistance, and/or Supplementary Security Income.
Educational Level (41)	Highest School Grade Completed (123)
TANF codes grade level completed; high school diploma, GED, or National External Diploma Program; AA degree; bachelor's degree; graduate degree; other credentials; no formal education; unknown.	WIA codes no school grade completed; grade level completed; high school graduate; attained certificate of equivalency; number of years completed post-high school; bachelor's degree or equivalent; education beyond bachelor's degree.
Needs of a Pregnant Woman (40)	Pregnant or Parenting Youth (128)
Whether the state considers the needs of a pregnant woman in determining the amount of assistance that the TANF family receives.	WIA only asks whether the individual is pregnant or provides custodial care for dependent/s under age 18. WIA question applies only to youth ages 14-21.
Whether family receives and amount of subsidized child care (17, 18); TANF Child Care amount, number of children covered, number of months (22); Transportation amount and number of months (23); Other benefits amount and number of months (25)	Supportive Services (other than needs-based payments) (330)
TANF distinguishes among services, requires amount and number of months.	WIA does not distinguish among services, only requires yes or no response.
Cash and Cash Equivalents (21)	Needs-Based Payments or Stipends (331)
TANF requires amount and number of months.	WIA requires yes/no.
On-the-Job Training (53)	On-the-Job Training (336)
TANF requires the number of hours the individual participates in OJT. OJT defined by state.	WIA counts whether the individual participates in OJT, not number of hours. OJT is specifically defined.
Education Directly Related to Employment for Individuals With No High School Diploma or Certificate of High School Equivalency (58)	Adult Education, Basic Skills and/or Literacy (335)
TANF requires number of hours, activity	WIA counts whether individual participated, not

TANF Adult or Minor Child Head of Household	WIA Registrant
defined by state.	number of hours.
Job Skills Training Directly Related to Employment (57)	Occupational Skills Training or Skills Upgrading/Retraining, and/or Workplace Training (337-339)
TANF requires the number of hours the individual participates in this training, based on state definition.	WIA counts whether the individual participates in training. WIA count is based on a defined set of services outlined in this category. WIA also requires an Occupational Skills Training Code (338) and Occupational Skills Training Code Type (339).

Table 3. Reporting Elements Unique to WIA

Individual Information
Veteran Status (111-114) (WIA codes Veteran Status (111); Campaign Veteran (112); Disabled Veteran (113); and Recently Separated Veteran (114))
Limited English Language Proficiency (116)
Unemployment Compensation: whether an eligible claimant referred by Worker Profiling and Reemployment Services (WPRS) system; eligible claimant not referred by WPRS; exhaustee; neither eligible claimant nor exhaustee (118)
Whether Individual Receives Pell Grant (122)
Displaced Homemaker Status (124)
Date of Actual Qualifying Dislocation (125)
Youth Information
Homeless Individual and/or Runaway Youth (126)
Offender (127)
Youth Who Needs Additional Assistance (129)
Education Status at Time of Registration (130) (coded differently from highest school grade completed (123))
Basic Literary Skills Deficiency (131)
Activities and Services
Date of WIA Title I-B Registration (302)
Date of WIA Exit (303)
WIA Title I-B Participation (source of funding) (304-313)
Services received from WIA Partner Programs (314-331) (Tracking and reporting services WIA Title I-B participants received from partner programs is optional. Reporting elements include Trade Adjustment Act, Vocational Rehabilitation, and Supportive Services, among others.)
Adults and Dislocated Workers Receiving Intensive and Training Services
Date of First Intensive Service (332)
Date of First Training Service (333)
Established Individual Training Account (ITA) (334)
Youth Services
Educational Achievement Services (340)
Employment Services (341)
Received Summer Youth Employment Opportunities (342)

Table 3. Reporting Elements Unique to WIA (Cont)

Youth Services (Cont)
Additional Support for Youth Services (343)
Leadership Development Opportunities (344)
Received Follow-up Services (345)
Outcomes for Adults, Dislocated Workers and Older Youth
Employed in Qtr After Exit Qtr (601) Qtr 3 (608) Qtr 5 (610)
Source of Supplemental Data (602, 609, 611)
Occupational Code (603)
Occupational Code Type (604)
Entered Training-Related Employment (605)
Method Used to Determine Training-Related Employment (606)
Entered Non-Traditional Employment (607)
Total Earnings from Wage Records for Third and Second Qtrs Prior to Registration (612, 614)
Total Earnings from Wage Records for Third and Second Qtrs Prior to Dislocation (613, 615)
Total Earnings from Wage Records for First through Fifth Qtrs Following Exit Qtr (616-620)
Type of Recognized Educational/Occupational Certificate/Credential/ Diploma/Degree Attained (621)
Other Reason for Exit (622)
In Postsecondary Education or Advanced Training in First and Third Qtrs After Exit (623-624)
Outcomes for Younger Youth (Aged 14-18)
Goal Type (625, 629, 633)
Date Goal Set (626, 630, 634)
Attainment of Goal (627, 631, 635)
Date Attained Goal (628, 632, 636)
Information on Additional Youth Goals (637-672)
Attained Secondary School Diploma (673)
Date of High School Diploma or GED Attainment (674)
Youth Placement Information (675)
Youth Retention Information (676)

Table 4. Reporting Elements Unique to TANF

TANF Adult or Minor Child Head of Household Individual Information
Family Affiliation (30) (includes noncustodial parents receiving assistance; parents, caretaker relatives and minor siblings in home but not receiving assistance; and persons whose income or resources are considered in determining eligibility or amount of assistance)
Noncustodial Parent Indicator (31)
Social Security Number (33)
Relationship to Head-of-Household (38)
Whether Parent Is a Minor Child and Used in Two-Parent Rate (39)
Citizenship/Alienage (42)
Cooperation With Child Support (43)
Number of Months Countable Toward Federal Time Limit (44)
Number of Countable Months Remaining Under State's (Tribe's) Time Limit (45)
Is Current Month Exempt From the State's (Tribe's) Time Limit (46)
Work Participation Status (48) (20 possible codes, for various reporting categories, disregards, exemptions)
Work Participation
Hours in Unsubsidized Employment (49)
Hours in Subsidized Private-Sector Employment (50)
Hours in Subsidized Public -Sector Employment (51)
Hours in Work Experience (52)
Hours in Job Search and Job Readiness Assistance (54)
Hours in Community Service Programs (55)
Hours in Vocational Educational Training (56)
Hours in Education Directly Related to Employment for Individuals With No High School Diploma or Certificate of High School Equivalency (58)
Hours in Satisfactory School Attendance for Individuals With No High School Diploma or Certificate of High School Equivalency (59)

Table 4. Reporting Elements Unique to TANF (Cont)

Work Participation (cont)
Providing Child Care Services to an Individual Who is Participating in a Community Service Program (60)
Hours of Additional Work Activities Permitted Under Waiver Demonstration (61)
Hours of Other Work Activities (62)
Required Hours of Work Under Waiver Demonstration (63)
Family Level Data
Case Number (6)
Zip Code (7)
Funding Stream (8)
Disposition Of Data Collection (9)
New Applicant Status (10)
Number of Family Members (11)
Type of Family For Purposes of Work Participation Rates (12)
Whether Family Receives Subsidized Housing (13)
Whether Family Receives Medial Assistance (14)
Amount of Child Support (19)
Amount of Family's Cash Resources (20)
Transitional Services Amount and Number of Months (24)
Reason For And Amount Of Reductions In Assistance, Including Sanctions, Recoupment Of Prior Overpayments, Other (26)
Is Family Part of Waiver Evaluation Experimental or Control Group (27)
Is Family Exempt From Federal Time Limits (28) (Eleven Possible Codes)
Is Family a New Child-Only Family (29)

Table 4. Reporting Elements Unique to TANF (Cont)

Child Level Data
Family Affiliation Status (66)
Date of Birth (67)
Social Security Number (68)
Race/Ethnicity of Child (69)
Gender of Child (70)
Whether Child Receives Disability Benefits (71)
Relationship to Head-of-Household (72)
Parent with Minor Child in the Family (73)
Educational Level of Child (74)
Citizenship/Alienage of Child (75)
Amount of Child's Unearned Income (76)