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Administration on Children and Families
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To whom it may concern:

On behalf of America Forward and our partner organizations, I am writing in response to the Administration on Children and Families' (ACF) Notice of Proposed Rulemaking, Strengthening Temporary Assistance for Needy Families (TANF) as a Safety Net and Work Program (RIN 0970-AC79).

We appreciate ACF's action on these critical issues and the opportunity to offer comments. Our comments address #1, #2, and #3 of ACF's proposed changes to TANF.

Each of our organizations are committed to economic mobility and engaged with the TANF program in various ways:

- **America Forward** is the nonpartisan policy initiative of the national venture philanthropy organization New Profit. We lead the America Forward Coalition, a network of over 100 social innovation organizations that champion innovative, effective, and efficient solutions to our country's most pressing social problems. Numerous America Forward Coalition organizations have engaged in the TANF program, both as direct providers and as intermediaries supporting State and local governments, and our comments reflect their input and insights.
- **Big Thought** is an impact education nonprofit focused on closing the opportunity gap through programs which equip students to imagine and create their best lives and world. Nationally recognized for its innovations in creative learning, collective impact collaborations, after school and summer learning, and social and emotional skill-building, Big Thought delivers direct-to-youth programming, learning system facilitation and consultation services supporting best practices in education. Through learning and career pathways, Big Thought aims to create a world in which the skills youth develop out of school are more visible and leveraged as assets in pursuit of a future of their choosing.
- **LIFT** seeks to bring economic equity to marginalized communities at scale by redesigning social service systems to treat parents with dignity and trust. LIFT's model breaks the cycle of poverty by investing in families through integrated financial, educational, and employment coaching along with direct cash support. Put simply, it is an investment of Hope, Money, and Love -- reflected in both our program design and in our call to action. Our one-on-one coaching program supports parents to unlock their potential so that they can flourish, moving from surviving to thriving. Our parents set and achieve goals of their own design, such as going back to school, improving credit, eliminating debt, or securing a living wage. This direct service coaching model

– operating in Chicago, Los Angeles, New York and Washington, D.C. – changes lives. Moreover, it serves as an action tank to change systems at scale. Through capacity building partnerships and advocacy efforts, we influence policy, and ultimately, shift how the social service system functions for the millions of families living in poverty across the country. Our vision is to change lives and change systems with Hope, Money, and Love so that all families can thrive.

- **Social Finance, Inc.** is a national nonprofit that assists government innovators in transforming public systems to prioritize measurable and equitable outcomes. We believe that a deeper focus on, and a better understanding of, participant outcomes can lead to more effective, equitable, and responsive government programs. Consequently, Social Finance is collaborating with three jurisdictions to assess their respective TANF programs and supporting their adoption of outcomes-based contracting methods.
- **Third Sector Capital Partners** is a national nonprofit technical assistance organization that advises government agencies on effective ways to reshape their policies, systems, and services toward better outcomes for all people no matter their race, background, or circumstance.
- **UpTogether** is a national nonprofit organization with a bold goal of changing policies, systems, and underlying beliefs so that all people in the United States are seen and invested in for their strengths and are able to build power, reinforce their autonomy, and drive their own economic and social mobility. UpTogether partners with and advocates for states and local jurisdictions to direct TANF block grants and maintenance of effort (MOE) funds directly to families in the form of direct cash assistance. Recently, UpTogether partnered with the State of Oregon to administer a direct cash assistance initiative for TANF qualifying families. The initiative, Oregon UpTogether, was funded through a combination of Oregon's TANF federal funds and non-MOE funds. Through UpTogether's online platform, UpTogether Connect, participating families received direct cash assistance, set advancement goals, and were provided with opportunities to strengthen their social capital, networks, ties with their children, and community connections.

#1: Establish a ceiling on the term “needy” so that it may not exceed a family income of 200 percent of the federal poverty guidelines

We agree with ACF’s proposed approach to set a definition of “needy,” and believe this approach implements Congress’s underlying intent to target TANF services to those most in need of – and likely to benefit from – assistance while avoiding potential unintended consequences.

However, while we appreciate the importance of targeting support to the lowest-income families, we are concerned that a too-low ceiling would potentially create benefits cliffs and disincentives for increased earnings. For example, recent research from the Urban Institute centered on TANF participants describes how families with incomes between 100 percent and 200 percent of the poverty level often face significant net losses as their earnings increase.¹

In addition, we suggest ACF revisit another key term in the TANF statute, the definition of “family,” in light of States’ implementation of TANF over the past 25 years. In 1997, ACF’s proposed TANF rule declined to define “family” or “head-of-household” so as not to “unduly and unintentionally limit State flexibility in designing programs that best serve their needs.”² Since that time, however, several States

¹ Anderson et al. (2022), *Balancing at the Edge of the Cliff: Experiences and Calculations of Benefits Cliffs, Plateaus, and Trade-Offs*, Urban Institute, <https://www.urban.org/sites/default/files/publication/105321/balancing-at-the-edge-of-the-cliff.pdf>.

² Administration for Children and Families (November 20, 1997), *Temporary Assistance for Needy Families Program (TANF): Proposed Rule*, 62 FR 62124 at 62131.

have imposed “family cap” policies that deny TANF benefits for children born while a parent is enrolled in TANF or that limit benefits to account for a new child. Other States have implemented inappropriate policies that may include the income of persons with no relation or financial or supportive contribution to the child or caregiver, such as a noncustodial absentee parent or an adult boarder in the parent’s home. These policies are often tied to inappropriate stereotypes about families facing the challenges of poverty and only perpetuate the heavy strains they face in accessing basic necessities. Accordingly, we propose ACF define “family” to address these issues and ensure States’ implementation is in full alignment with the program’s statutory purposes.

#2: Determining when an expenditure is “reasonably calculated to accomplish a TANF purpose”

We appreciate ACF’s intent to shift TANF funds to more appropriate expenditures that will support needy families in alignment with TANF’s core purposes. In addition, we appreciate ACF’s emphasis on the use of research and programmatic evidence as part of its assessment into whether expenditures are reasonably tied to TANF purposes.

We make the following suggestions regarding the proposed review regime regarding evidence:

- First, the framework does not recognize the need for innovation in new strategies. We suggest that ACF recognize that a State-supported evaluation of a proposed expenditure that includes a TANF purpose as a primary outcome could lend additional support under this framework to a determination of reasonableness. For example, Congress has, in multiple instances, offered ongoing evaluation as an alternative to demonstrating a current evidentiary basis, such as in the Reemployment Services and Eligibility Assessments (RESEA) program.³
- In light of the current research base, it is crucial to adopt culturally competent evaluation methods for TANF programs that do more than just acknowledge systemic barriers faced by communities of color; they must actively address them. These methods ensure that evaluations are not just methodologically rigorous but also meaningfully connected to the lived experiences of the communities involved. Such culturally responsive evaluations can lead states to craft TANF programs that are truly reflective of and responsive to the needs of the populations they aim to serve, fostering more effective and equitable outcomes in policy-making.⁴
- In addition, we encourage ACF to recognize the importance of continuous improvement efforts in its discussion of programmatic evidence as a potential basis for a reasonableness determination. Continuous improvement involves analysis using performance and administrative data on activities, services delivered, and outcomes achieved, including feedback and input from those benefiting from the program. This data is collected on an ongoing basis to measure progress toward goals and to systematically inform improvement to program operations and service delivery. In our experience, continuous improvement practices enable invaluable program customization based on place, people, and circumstance.

In addition, in the final rule, we encourage you to explicitly recognize that “tuition assistance and other education and training supports” that “specifically support the economic advancement of parents with low incomes” may meet TANF purpose two (“end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage”) beyond the limited discussion included at footnote 26. In general, evidence indicates that need-based financial assistance programs in combination

³ See 42 U.S.C. § 506.

⁴ See Gill et al. (2016), “Through a Culturally Competent Lens: Why the Program Evaluation Standards Matter,” *Health Promotion Practice* 17(1): 5-8. Available at <https://pubmed.ncbi.nlm.nih.gov>.

with student supports can boost attainment rates, in turn translating to economic advancement⁵ and this assistance is particularly critical for student parents who often face significant financial barriers to academic success.⁶ Given the proposed rule’s extensive discussion of inapplicability for “college scholarships for adults without children,” we are concerned that ACF’s framing would unintentionally limit a critical pathway for economic mobility and self-sufficiency aligned with TANF’s purpose 2. More generally, we encourage ACF to consider how any rule changes may limit TANF participant choice, a foundational element to participants’ productive engagement with TANF programs.

#3: Exclude third-party, nongovernmental spending as allowable maintenance of effort spending

America Forward Coalition organizations provide TANF-related services across the nation, both in partnership with State and local governments and through private funding. We agree with ACF’s reasoning and are not aware of any potential impact on partnerships as a result of this proposed change.

Conclusion

We appreciate the opportunity to respond. For further questions, please contact Chase Sackett, Policy Director with America Forward, at chase_sackett@newprofit.org.

Sincerely,

America Forward
Big Thought
LIFT
Social Finance, Inc.
Third Sector Capital Partners
UpTogether

⁵ See summary of the evidence at page 12 of Cummings et al. (2021), *Investigating the Impacts of State Higher Education Appropriations and Financial Aid*, State Higher Education Executive Officers Association, https://sheeo.org/wp-content/uploads/2021/05/SHEEO_ImpactAppropationsFinancialAid.pdf.

⁶ Dundar, Tighe, & Turner (2023), *Underwater: Student Mothers and Fathers Struggle to Support Their Families and Pay Off College Loans*, Institute for Women’s Policy Research, <https://iwpr.org/wp-content/uploads/2023/06/Underwater-Student-Mothers-and-Fathers-Struggle-to-Support-The-ir-Families-and-Pay-Off-College-Loans-FINAL.pdf>.