

IMPLEMENTING THE NEW TANF PROVISIONS IN MISSOURI: HOW SHOULD MISSOURI RESPOND?

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The Deficit Reduction Act and the federal regulations issued in June 2006 require States to meet higher work participation rates in the Temporary Assistance for Needy Families (TANF) program. (*The work participation rate is the number of families participating in “work activities” divided by the total number of families in the State’s TANF caseload.*) Missouri must make changes to meet these work participation requirements, and should do so in a way that helps families, rather than pushes them deeper into poverty.

What are some strategies that Missouri could use to both help families and improve work participation rates?

- **Provide additional income support for working poor families:**
 - ✓ Earned income supplements are the single most effective way to help families who receive cash assistance move toward self-sufficiency.
 - ✓ The State could also provide upfront lump sum payments to those families in which a parent recently lost a job, but is likely to find employment quickly.
 - ✓ The State could provide bonus payments to TANF recipients who *remain employed*, thereby reducing their likelihood of returning to TANF cash assistance.
- **Maintain and, where possible, expand its commitment to education and training, including post-secondary education (PSE):**
 - ✓ Research has shown that education and training (including PSE) is most effective when paired with supportive services.
 - ✓ Missouri should continue to provide a full range of education and training activities in order to improve outcomes and expand opportunities for employment for low-income Missouri families.
- **Improve and expand services for TANF participants with disabilities and/or severe barriers to employment:**
 - ✓ The State should re-examine how it screens and assesses people with disabilities and/or other employment barriers, and work with state and local agencies that specialize in assisting people with disabilities to help support these participants.
 - ✓ The State should exclude TANF participants caring for a disabled family member from the work participation rate.
 - ✓ It should allow participants to obtain domestic violence counseling, mental health counseling or substance abuse treatment, *regardless of the impact on the work rates.*

- **Implement a transitional jobs program for individuals with severe employment barriers:** Transitional jobs programs, which help low income workers “get a foot in the door, are a proven and effective alternative to workfare.
- **Take advantage of opportunities under the DRA to ensure that more child support is actually received by low-income families:**
 - ✓ The State should pass through and disregard child support in determining cash assistance eligibility.
 - ✓ The State should pay families before reimbursing the government when past child support is obtained through federal tax intercepts.
- **Continue to serve two-parent families in a meaningful way:**
 - ✓ Continuing to serve two-parent families ensures that these families get supportive services as well as cash assistance.
 - ✓ These supports provide two-parent families a better opportunity to find *and maintain* a job.
- **Increase child care eligibility criteria:** Missouri’s child care eligibility criteria consistently rank at or near the bottom of the nation. With more stringent work requirements, it will be essential for Missouri to make child care more accessible for Missouri’s low-income families who are trying to transition from welfare to work.
- **Expand access to other needed work supports, including health insurance:**
 - ✓ Ensuring **access to health care** for low-income working families has historically been a critical component of the success of Missouri’s welfare reform efforts.
 - ✓ TANF reauthorization makes it important to re-examine the State’s prior decisions on restricting access to Medicaid, in order to help facilitate the transition from welfare to work for families, meet the new participation rates, improve health outcomes, and alleviate poverty.
- **Missouri should avoid punitive approaches:** While it may be tempting for the State to take the “easy way” out and eliminate families from the TANF program by full-family sanctions and/or shorter time limits, these approaches will only plunge families with significant barriers to employment into deeper poverty. This is not welfare “reform”!